RESOLUTION NO._____

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY APPROVING THE SUCCESSOR AGENCY'S LONG RANGE PROPERTY MANAGEMENT PLAN – PART A

WHEREAS, by virtue of the enactment of Health and Safety Code Section 34173(d), the City of El Monte (the "City") is the successor agency to the former El Monte Community Redevelopment Agency; and

WHEREAS, the Oversight Board for the former El Monte Community Redevelopment Agency has been established to direct the City as successor agency to take certain actions to conclude the business affairs of the dissolved former El Monte Community Redevelopment Agency in accordance with Health and Safety Code Section 34179, et seq.; and

WHEREAS, pursuant to Health & Safety Code Section 34191.5(b), successor agencies are required to send long-range property management plans to the Oversight Board and State Department of Finance no later than six months following the issuance of the finding of completion; and

WHEREAS, pursuant to Health & Safety Code Section 34191.3, the long range property management plan is designed to govern the disposition and use of the real property assets of the former redevelopment agency; and

WHEREAS, pursuant to Health & Safety Code Section 34191.5(c)(2), this long-range property management plan addresses the use or disposition of all real property assets of the former redevelopment agency; and

WHEREAS, the State Department of Finance issued a finding of completion on April 26, 2013; and

WHEREAS, pursuant to Health & Safety Code Section 34191.5(b), the long-range property management plan shall be submitted to the Oversight Board and Department of Finance no later than October 26, 2013.

NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE OVERSIGHT BOARD TO THE CITY OF EL MONTE AS SUCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY AS FOLLOWS:

SECTION 1. The Oversight Board approves the Long Range Property Management Plan – Part A subject to the approval of the State Department of Finance.

SECTION 2. Staff is directed to submit the long-range property management plan to the State Department of Finance as required by law.

SECTION 3. At such time as the Successor Agency receives proceeds from the sale of any property as identified in the long-range property management plan, the Successor Agency shall comply with applicable statutes regarding the distribution of these proceeds to the County Auditor Controller for dissemination to the affected taxing agencies.

PASSED AND ADOPTED by the Oversight Board of the Successor Agency to former El Monte Community Redevelopment Agency at its ~~regular~~ Special meeting on this 29th of August, 2013.

Chair of the Oversight Board

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF EL MONTE)

I, Chair of the Oversight Board, do hereby certify that the above and foregoing Resolution No. was passed, approved, and adopted by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency of the City of El Monte, signed by the Chair and attested by the Chair at a meeting of said Oversight Board held on this 29 day of August 2013, and that said Resolution was adopted by the following votes to wit:

AYES: N. Garcia, K. Olafson, C. Sutkin, V. Perdomo, A. Quintero

NOES: ~~0~~

ABSTAIN: ~~0~~

ABSENT: O. Peña, H. Jimenez

Chair of the Oversight Board

LONG-RANGE PROPERTY MANAGEMENT PLAN (PART A)

Successor Agency to the El Monte Community Redevelopment Agency

August 27, 2013

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INTRODUCTION

Assembly Bill ("AB") 1484, enacted in June of 2012, requires all successor agencies for former redevelopment agencies that owned property as of the time of redevelopment dissolution in 2011 to prepare a Long Range Property Management Plan ("PMP"). The PMP governs the disposition and use of property held by the former redevelopment agency pursuant to legal requirements, as detailed in the next section.

The Successor Agency to the El Monte Community Redevelopment Agency ("Successor Agency") has structured the PMP report as a bifurcated plan, with Part A addressing the most important and time sensitive projects (Santa Fe Trail Plaza Project, Norms Restaurant Project Site, and Former Chevy Site) first. The remaining properties will be addressed in a separate document as Part B of the Successor Agency's Long Range Property Management Plan, which contains projects that require additional due diligence and are less time sensitive as those properties presented in Part A. The properties in Part B specifically fall under the categories of Sale, Governmental Use, and Fulfill an Enforceable Obligation.

This is Part A of the Long Range Property Management Plan for the Successor Agency.

EXECUTIVE SUMMARY

The former El Monte Community Redevelopment Agency ("Redevelopment Agency") is currently the owner of record on title for 51 properties in the City of El Monte. However, the Successor Agency will be acquiring and subsequently selling 11 parcels as part of an existing Disposition and Development Agreement (See detail in narrative for Santa Fe Trail Plaza Project), for a total of 62 Successor Agency properties. Forty-four (44) or 71% of these properties are associated with time sensitive projects (Santa Fe Trail Plaza Project, Norms Restaurant Project Site) and leasehold interests (Former Chevy Site) that are a priority of the Successor Agency. Of these Forty-four properties, twenty three (23) are designated for sale pursuant to current legal requirements, sixteen (16) properties are proposed to be held to fulfill enforceable obligations, and five (5) are to be retained for future development purposes. The table below provides a summary of all PMP property categories:

City of El Monte Successor Agency
Summary of Property Disposition Categories (Priority Projects)

Permissible Use under AB 1484	# of Properties
Sale of Property	23
Fulfill Enforceable Obligation	16
Future Development	5
Total	**44**

STATEMENT OF LEGAL REQUIREMENTS

Pursuant to Health and Safety Code section 34191.5 (part of AB 1484), each successor agency that holds property from a former redevelopment agency is required to submit a PMP to the State Department of Finance ("DOF") within six months after receiving a "Finding of Completion" from DOF. Prior to the submittal of the PMP to DOF, the successor agency's oversight board must approve the PMP.

In general, the PMP addresses the disposition and use of the real properties of the former redevelopment agency. AB 1484 requires that the PMP include all of the following components:

1. Inventory of all properties in the Community Redevelopment Property Trust Fund ("Trust Fund"), established to serve as the repository of the former redevelopment agency's real properties. This inventory shall consist of all of the following information:

    a. **Date of acquisition** of the property and the value of the property at that time, and an estimate of the current value of the property.

    b. **Purpose** for which the property was acquired.

    c. **Parcel data**, including address, lot size, and current zoning in the former redevelopment agency redevelopment plan or specific, community, or general plan.

    d. **Estimate of the current value** of the parcel including, if available, any appraisal information.

    e. **Estimate of any lease, rental, or any other revenues** generated by the property, and a description of the contractual requirements for the disposition of those funds.

    f. **History of environmental contamination**, including designation as a brownfield site, and related environmental studies, and history of any remediation efforts.

    g. Description of the **property's potential for transit-oriented development and the advancement of the planning objectives** of the successor agency

    h. Brief history of **previous development proposals** and activity, including the rental or lease of property.

2. Address the use or disposition of all the properties in the Trust Fund. Permissible uses include:

    a. **Retention for governmental use** pursuant to subdivision (a) of Section 34181;

    b. **Retention for future development**;

c. **Sale** of the property; or

d. **Use of property to fulfill an enforceable obligation.**

3. Separately identify and list properties in the Trust Fund dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation. With respect to the use or disposition of all other properties, all the following shall apply:

   a. If the plan directs the use or liquidation of the property for a project identified in an approved redevelopment plan, the property shall transfer to the city, county, or city and county.

   b. If the plan directs the liquidation of the property or the use of revenues generated from the property, such as lease or parking revenues, for any purpose other than to fulfill an enforceable obligation or other than that specified in subsection 3(a) above, the proceeds from the sale shall be distributed as property tax to the taxing entities.

   c. Property shall not be transferred to a successor agency, city, county, or city and county, unless the PMP has been approved by the oversight board and DOF.

PROPERTY INVENTORY – FORMER RDA PROPERTIES

As discussed earlier, 71% (44 properties) of the former Redevelopment Agency owned properties are related to two priority and time-sensitive economic development projects (Santa Fe Trail Plaza Project and Norms Project Site) and a leasehold interest (Former Chevy Site) of the former El Monte Community Redevelopment Agency. The Successor Agency now proposes to dispose of them in compliance with the requirements dictated in AB 1484.

The property ID number(s), indicated for each site in this report, correspond to the "No." column within the Property Inventory Data table for reference purposes (Attachment 1). The Property Inventory Data table utilizes the DOF-created database and provides a matrix of all of the information required pursuant to Health and Safety Code Section 34191.5(c) (part of AB 1484).

It is important to note the following in reviewing the PMP:

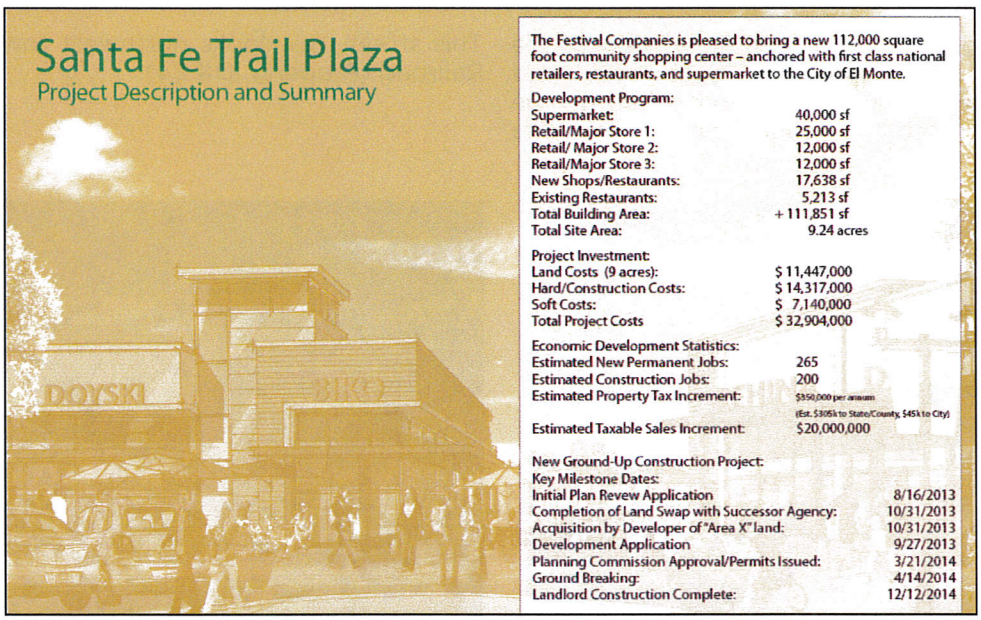
- Estimates of current value of property were determined pursuant to an existing appraisal or utilizing the methodology contained in Attachment 2 to this PMP. However, it should be noted that the ultimate value of the properties sold will be determined based on appraisals and what the market will dictate.

- Data contained in the "Value at Time of Purchase" column in the Property Inventory Data table includes all available information obtained resulting from comprehensive title research and staff's best efforts to locate the information.

SANTA FE TRAIL PLAZA PROJECT (PROPERTY ID #'S: 1 - 38)

History and Background

The Santa Fe Trail Plaza Project is proposed on a 9.24 acre site that is generally located on the north east corner of Valley Boulevard and Santa Anita Avenue and bounded between Santa Anita Avenue to the west, El Monte Avenue to the east, Valley Boulevard to the south, and the Metrolink commuter railway to the north. The project is proposed to include approximately 111,851 square feet of commercial retail uses. Furthermore, the proximity of the commuter rail station and El Monte Transit Center also makes the nearby area a desirable location for a future transit oriented and/or housing development. The following images present a summary project description and draft project rendering provided by Santa Fe Trail Holdings Associates ("Developer"):



This photograph provides an aerial view of the Santa Fe Trail Plaza Project site and encompasses all properties proposed to be sold and used to fulfill an enforceable obligation.

This street view looks northwest toward 10821 Railroad (Property ID# 34).

This view looks northwest toward 221 El Monte Ave (Property ID # 35). 3649 El Monte Avenue (Property ID # 36) is in the foreground.

This view looks west across Property ID #'s: 7, 17, 18, and across properties currently owned by the Developer.

The former El Monte Community Redevelopment Agency ("Redevelopment Agency") has put forth significant resources, time and financial commitments for more than a decade, along with the Developer, in order to acquire the necessary property and project entitlements to bring the Santa Fe Trail Plaza project to fruition. Approximately 80% of the project site was acquired by the Developer or the Agency between July 1, 2005 and June 30, 2009. As part of this process, the Agency has assisted with property acquisition and residential tenant relocation activities. However, rapidly changing market conditions and, most recently, the dissolution of redevelopment agencies has provided challenges to moving the project forward and furthering the community and economic

development goals of the former Redevelopment Agency, now Successor Agency, and the City of El Monte ("City").

As part of the Long Range Property Management Plan process and in furtherance of AB 1484, the Successor Agency intends to dispose of former Redevelopment Agency owned property in an effort to maximize their value and enhance the viability of the community as well as satisfy the long-term economic development and planning objectives of the Successor Agency and City. The following outlines the proposed disposition of real property assets related to the former Redevelopment Agency as part of the Santa Fe Trail Plaza project.

Proposed Real Property Disposition Process

1. **Implementation of Disposition and Development Agreement ("DDA") (Originally entered into on June 1, 2007 and amended on July 1, 2010) between Santa Fe Trail Holdings Associates and the former El Monte Community Redevelopment Agency [Property ID #'s: 1 - 15]**

   As of June 1, 2007, the former El Monte Community Redevelopment Agency and the Developer entered into a Disposition and Development Agreement (Attachment 3) to develop certain lands in the Downtown El Monte Redevelopment Project Area. As of July 1, 2010, the former Redevelopment Agency and Developer amended the DDA to focus on securing a single "big-box" type retail development, which was not accomplished within the required time-frame and the DDA was terminated in December 2011 subject to the completion of the Property Exchange Agreement as set forth in the next paragraph.

   Pursuant to Section 5.10 of the DDA, if the DDA is "terminated or expires prior to the close of the Site Transfer Escrow, either with or without the fault of either of the parties, the Developer and the Agency shall implement the Plan for Reconfiguration of Site Parcel Ownership" ("Property Exchange Agreement"). On March 17, 2011, in compliance with Section 5.10 of the DDA, the Successor Agency recorded a Notice of Agreement to Reconfigure Site Parcel Ownership with the Developer (Attachment 4). Subject to the terms of the DDA and Property Exchange Agreement, "each party shall exchange and grant to the other party good and marketable lien free title in fee simple absolute, certain property" and that "neither party shall be entitled to payment from the other for such properties transferred to the other (Pg. 98 & 99)."

   Although not specifically required of the Property Exchange Agreement, the Successor Agency prepared a report pursuant to Health and Safety Code Section 33433 ("33433 Report") in February 2011 in order to summarize "business and economic points of redevelopment land disposition and development transactions prior to selling (redevelopment) Agency owned lands acquired with tax increment funds" (Attachment 5). The 33433 Report also discusses the value of lands subject to the Property Exchange Agreement, if triggered as part of the termination of the DDA. The 33433 Report for the Santa Fe Trail Plaza Project

cites the Waronzof Reuse Appraisal and states that since "the cost to both the Developer and the Agency of acquiring the lands to be exchanged.....is greater than the current fair market value of such land.....the exchanged land area has substantially equivalent value (Pg. 17)."

Permissible Use per AB 1484: It is the Successor Agency's intention to dispose of identified properties, as designated in AB 1484, in order to fulfill an enforceable obligation. To that end, the Successor Agency will comply with the requirements of the legally binding DDA entered into between the Developer and Successor Agency on June 1, 2007, as amended in 2010, and implement the exchange of property pursuant to the Property Exchange Agreement.

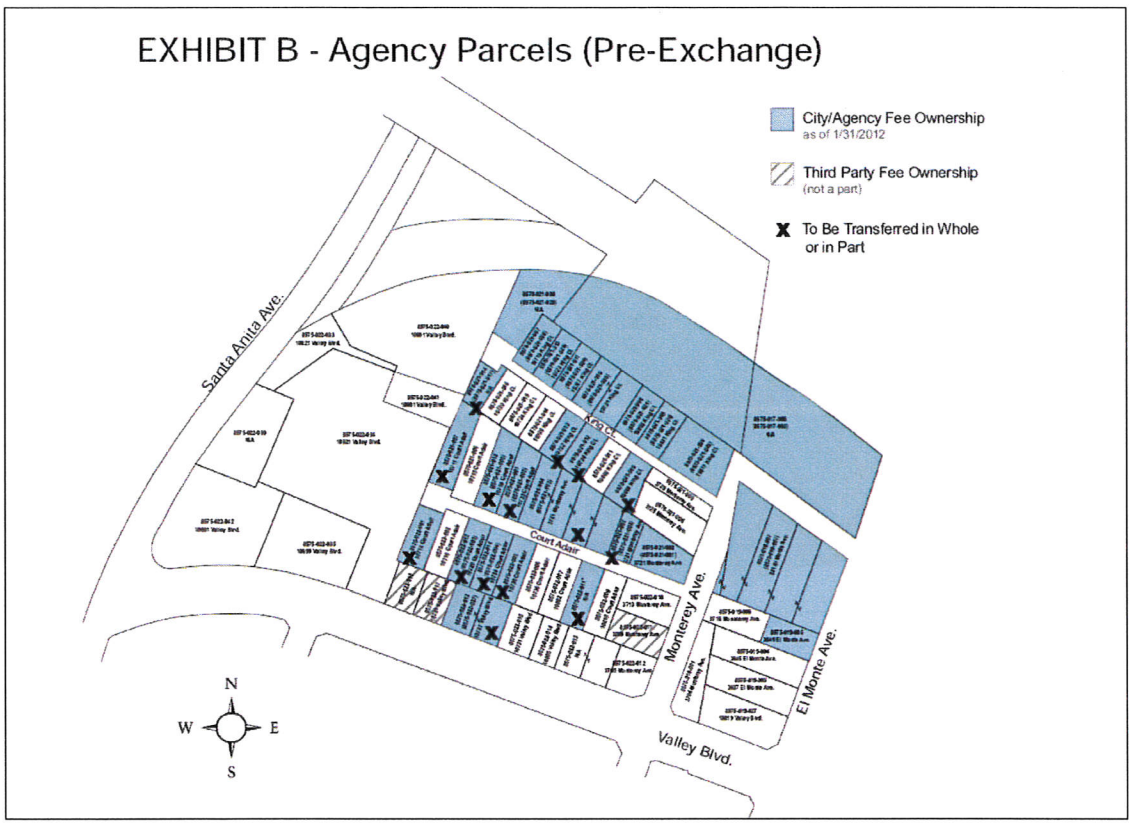
Table 1 and 2 and accompanying maps (Exhibit A and B) provide detail of the sites subject to the Property Exchange Agreement. Further site specific detail of these properties can also be found in nos. 1-15 of the Property Inventory Data table (Attachment 1).

El Monte Successor Agency **Table 1**

Successor Agency Parcels Subject to Property Exchange

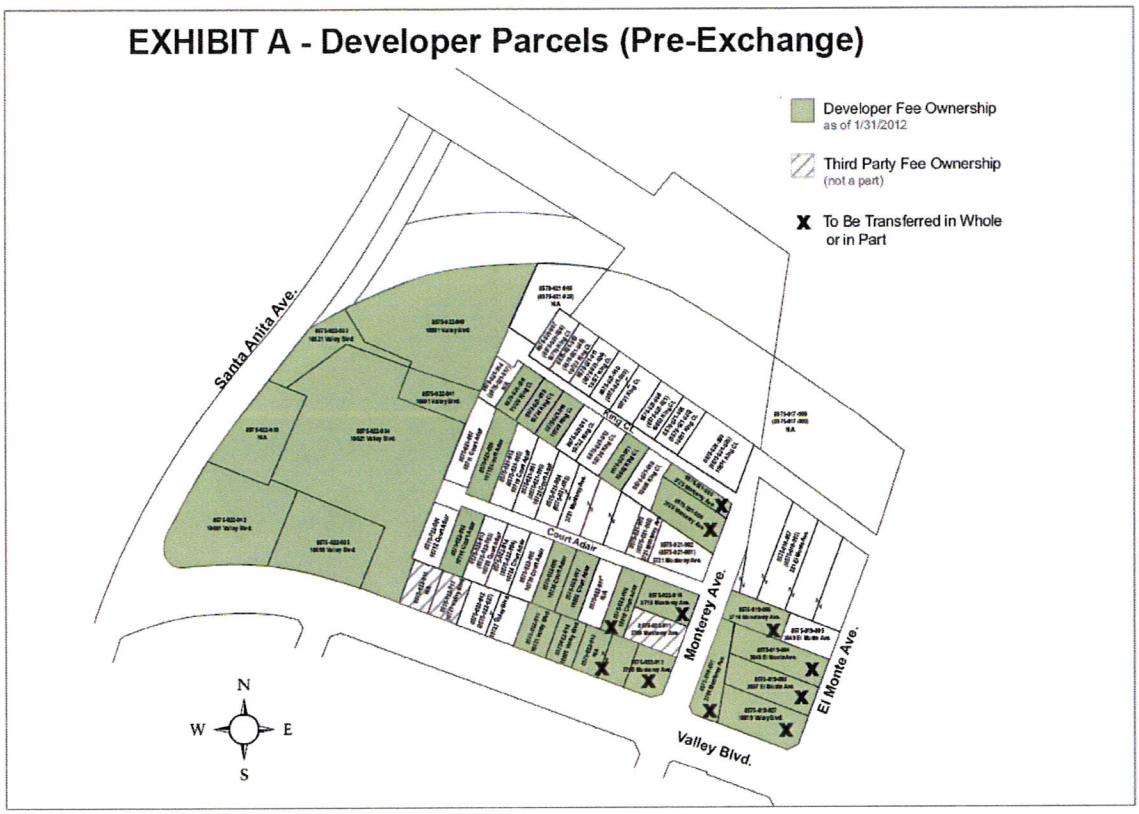
Property ID #	Assessor Parcel Number	Site Address	Land SF	Zoning Code	Permissible Use
1	8575-022-915	10730 Court Adair St	4,556	C-2D	Fulfill Enforceable Obligation
2	8575-021-901	10723 Court Adair St	4,988	C-2D	Fulfill Enforceable Obligation
3	8575-021-914	10714 King Ct	3,176	C-2D	Fulfill Enforceable Obligation
4	8575-022-911	10806 Court Adair St	4,478	C-2D	Fulfill Enforceable Obligation
5	8575-021-904	3721 Monterey Ave	18,137	C-2D	Fulfill Enforceable Obligation
6	8575-021-903	3721 Monterey Ave	3,178	C-2D	Fulfill Enforceable Obligation
7	8575-022-912	10727 Valley Blvd	7,514	C-2D	Fulfill Enforceable Obligation
8	8575-022-913	10720 Court Adair St	4,556	C-2D	Fulfill Enforceable Obligation
9	8575-022-914	10724 Court Adair St	4,556	C-2D	Fulfill Enforceable Obligation
10	8575-021-912	10719 Court Adair St	5,354	C-2D	Fulfill Enforceable Obligation
11	8575-021-915	10736 King Ct	3,812	C-2D	Fulfill Enforceable Obligation
12	8575-021-916	10732 King Ct	3,812	C-2D	Fulfill Enforceable Obligation
13	8575-021-917	10711 Court Adair St	5,998	C-2D	Fulfill Enforceable Obligation
14	8575-022-916	10712 Court Adair St	4,639	C-2D	Fulfill Enforceable Obligation
15	8575-021-918	10806 King Ct	4,243	C-2D	Fulfill Enforceable Obligation

Source: El Monte 2007 Disposition and Development Agreement



El Monte Successor Agency					Table 2
Developer Parcels Subject to Property Exchange					
Property ID #	**Assessor Parcel Number**	**Site Address**	**Land SF**	**Zoning Code**	**Permissible Use**
16	8575-019-001	3704 Monterey Ave	6,347	C-2D	Fulfill Enforceable Obligation
17	8575-022-012	3705 Monterey Ave	4,818	C-2D	Fulfill Enforceable Obligation
18	8575-022-013	*no Site Address*	6,695	C-2D	Fulfill Enforceable Obligation
19	8575-019-027	10819 Valley Blvd	9,013	C-2D	Fulfill Enforceable Obligation
20	8575-019-004	3645 El Monte Ave	8,233	C-2D	Fulfill Enforceable Obligation
21	8575-019-006	3716 Monterey Ave	5,050	C-2D	Fulfill Enforceable Obligation
22	8575-019-003	3637 El Monte Ave	7,789	C-2D	Fulfill Enforceable Obligation
23	8575-021-008	3725 Monterey Ave	7,196	C-2D	Fulfill Enforceable Obligation
24	8575-021-009	3729 Monterey Ave	3,049	C-2D	Fulfill Enforceable Obligation
25	8575-022-009	10810 Court Adair St	4,556	C-2D	Fulfill Enforceable Obligation
26	8575-022-010	3713 Monterey Ave	5,205	C-2D	Fulfill Enforceable Obligation

Source: El Monte 2007 Disposition and Development Agreement



2. **Sale of Certain Former Agency Lands Held (Area X and Y) to Santa Fe Trail Holdings Associates based upon Fair Market Appraisal Value [Property ID #'s: 16-38]**

On June 1, 2013, the Successor Agency drafted a Letter of Intent ("LOI") between the Developer and the Successor Agency (Attachment 6) to expedite the disposition of former El Monte Community Redevelopment Agency ("Redevelopment Agency") and, pursuant to AB 1484, maximize the value of real property assets remaining after the Property Exchange Agreement is implemented.

Permissible Use: Pursuant to AB 1484, it is the Successor Agency's intention to sell, at fair market value, the properties identified as Area X and Area Y and distribute the sale proceeds according to the method described in AB 1484.

Pursuant to the requirements of 34191.5(c) of the Health and Safety Code, the following characteristics apply to all properties listed in Area X and Area Y that are proposed to be sold.

Purpose of Acquisition/Date: Land assembly for commercial development in the Downtown area.

Description of Property's Potential for Transit Oriented Development: None/not applicable.

Estimate of Income Revenue: Property ID#'s: 5 & 6 ($2,700 per month), Property ID#: 34 ($1,000 per month).

Contractual Requirements for Use of Income/Revenue: License Agreement (Property ID#'s: 5 & 6), License Agreement (Property ID#: 34).

History of Environmental Contamination, Studies, and/or Remediation, and Designation as a Brownfield Site:

To date, the Developer has conducted Phase I Environmental Assessments on the overall development site. Asbestos and Lead Based Paint Surveys have been conducted on all the improved properties. Any such contamination was abated upon demolition of the improved properties.

Value at Time of Purchase: $6,256,536 (includes only properties acquired by former RDA by land purchases).

Estimated Current Value/Date: Approximately $8,969,000 (includes properties acquired through former RDA land purchases and via the Property Exchange Agreement) based on Market Value basis. See Attachment 2 for additional details with respect to the methodology employed to determine current market values.

Distribution of Sales Proceeds:

It should be noted that the properties proposed to be sold in Area X and Area Y were acquired with various funding sources, which include former Redevelopment Agency bonds issued prior to dissolution, HOME funds, Low and Moderate Income Housing funds, and Community Development Block Grant (CDBG) funds. As a result, a portion of the sales proceeds will be required to defease bonds as well as repay Low and Moderate Income funds and other State and local monies used to acquire property. However, it is the Successor Agency's full intention to provide any excess revenues generated from the sale of property to the Los Angeles County Auditor Controller for distribution to the taxing entities.

Location & Description of Properties within Area X and Area Y:

The following is a summary of specific property details and maps indicating the location of the areas identified as Area X and Area Y:

Area X: Area X is generally located on the north end of the Santa Fe Trail Plaza Project site and is bounded by the Metrolink commuter rail to the north, King Court to the south, Monterey Avenue to the east, and abuts the lot line with the

Edwards Theatre & shopping center to the west. Area X includes a certain assembly of Developer and Successor Agency lands, which are the result of former Redevelopment Agency land purchases and properties acquired through the Property Exchange Agreement under the 2007 DDA, as amended in 2010. Subsequent to the exchange of property, the Successor Agency will sell all parcels in Area X to the Developer based on a fair market appraisal and other ongoing negotiation of sale terms between the parties, which are more fully described in the LOI (Attachment 6). Table 3 provides further site specific detail with respect to the properties listed in Area X:

El Monte Successor Agency — **Table 3**

Successor Agency Parcels To Be Sold As Part of "Area X"

Property ID #	Assessor Parcel Number	Site Address	Land SF	Zoning Code	Permissible Use
27	8575-021-905	n.a. King Court	3,776	C-2D	Sale of Property
28	8575-021-906	10803 King Court	3,925	C-2D	Sale of Property
29	8575-021-907	10719 King Court	3,613	C-2D	Sale of Property
30	8575-021-908	n.a.	12,170	C-2D	Sale of Property
31	8575-021-910	10731 King Court	7,511	C-2D	Sale of Property
32	8575-021-911	10727 King Court	3,587	C-2D	Sale of Property
33	8575-021-913	10723 King Court	3,711	C-2D	Sale of Property
34	8575-017-906	10821 Railroad	94,366	C-2D	Sale of Property

Source: El Monte 2007 Disposition and Development Agreement

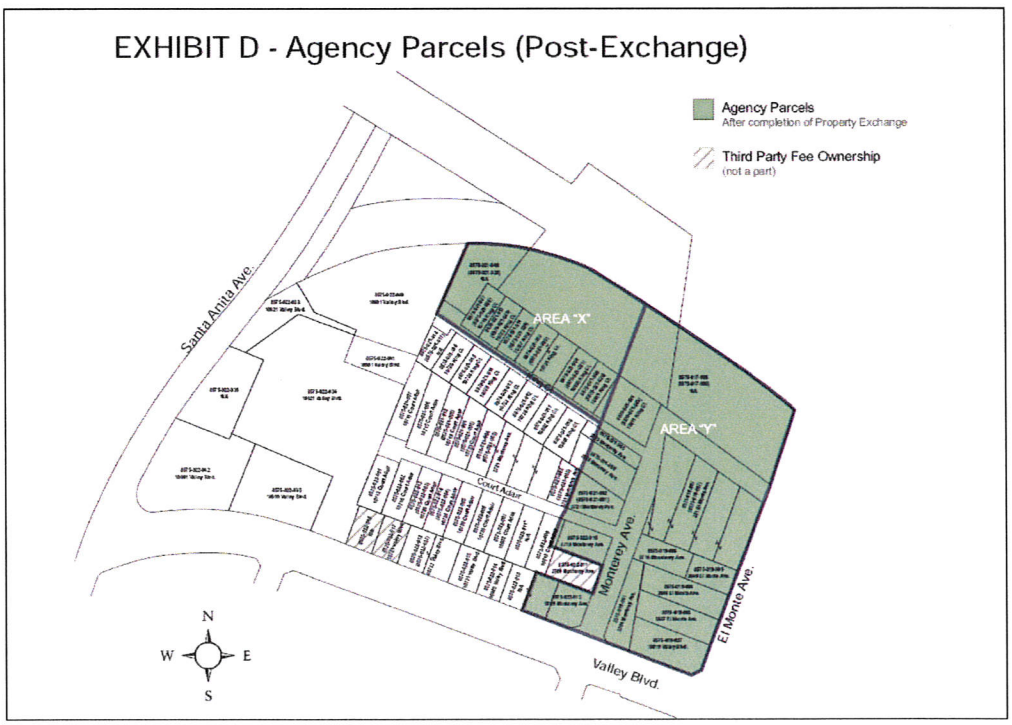
Area Y: Area Y is generally located on the east end of the Santa Fe Trail Plaza Project site and is bounded by El Monte Avenue to the east, Monterey Avenue to the west, Valley Boulevard to the south, and the Metrolink commuter rail to the north. Area Y includes a certain assembly of Developer and Successor Agency lands, which are the result of former Redevelopment Agency land purchases and properties acquired through the Property Exchange under the 2007 DDA, as amended in 2010. Subsequent to the Property Exchange, the Successor Agency will sell all parcels within Area Y to the Developer based on a fair market appraisal and other ongoing negotiation of sale terms between the parties. Furthermore, the Developer will need to provide the Successor Agency with a Notice of Intention to acquire the properties located in Area Y by no later than June 30, 2014. If this does not occur, the Successor Agency would appear before the Oversight Board to commence marketing efforts to sell properties contained in Area Y to other interested parties. All of the deal terms for the sale of properties in Area Y are more fully described in the LOI (Attachment 6). Table 4 provides further site specific detail with respect to the properties listed in Area Y:

El Monte Successor Agency					Table 4
Successor Agency Parcels To Be Sold As Part of "Area Y"					
Property ID #	**Assessor Parcel Number**	**Site Address**	**Land SF**	**Zoning Code**	**Permissible Use**
35	8575-019-907	221 El Monte Ave	31,330	C-2D	Sale of Property
36	8575-019-908	3649 El Monte Ave	4,329	C-2D	Sale of Property
37	8575-021-902	3721 Monterey	5,590	C-2D	Sale of Property
38	8575-021-909	10811 King Court	7,994	C-2D	Sale of Property
16	8575-019-001	3704 Monterey Avenue	7,188	C-2D	Sale of Property
17	8575-022-012	3705 Monterey Avenue	4,287	C-2D	Sale of Property
18	8575-022-013	No site address	6,670	C-2D	Sale of Property
19	8575-019-027	10819 Valley Boulevard	8,393	C-2D	Sale of Property
20	8575-019-004	3645 El Monte Avenue	7,874	C-2D	Sale of Property
21	8575-019-006	3716 Monterey Avenue	4,990	C-2D	Sale of Property
22	8575-019-003	3637 El Monte Avenue	7,533	C-2D	Sale of Property
23	8575-021-008	3725 Monterey Avenue	6,802	C-2D	Sale of Property
24	8575-021-009	3729 Monterey Avenue	2,852	C-2D	Sale of Property
25	8575-022-009	10810 Court Adair	4,528	C-2D	Sale of Property
26	8575-022-010	3713 Monterey Avenue	4,606	C-2D	Sale of Property

Note: Property ID#'s 16 through 26 were, as indicated in Table 2, acquired by the Agency via the Property Exchange Agreement and are proposed to be sold at fair market value as part of Area Y.

Source: El Monte 2007 Disposition and Development Agreement

The following map (Exhibit D) provides the general location of properties located in Area X and Y.



Advancement of Planning Objectives of the Successor Agency:

As mentioned previously, the improvements and community/economic development initiatives that the Successor Agency envisions as part of the Santa Fe Trail Plaza Project site have been in the works for close to a decade. The former Redevelopment Agency identified this project in the adopted FY 2009-10 through 2013-14 Five-Year Implementation Plan ("Implementation Plan") (Attachment 7). The Implementation Plan discusses the former Redevelopment Agency's assistance for the project, which included "property acquisition and residential tenant relocation activities," "demolishing vacant structures," "reviewing development alternatives due to the changing retail environment," and "identifying potential business tenants (Pg. 28)."

The Santa Fe Trail Plaza project also achieves many of the goals and visions set forth in the City's General Plan. If implemented, the project would fulfill some of these goals through support for:

"A prosperous economy that fosters a range of business, an entrepreneurial spirit, ample job opportunities, a competitive and trained workforce, and excellent standard of living."

Growth "in a sustainable way, preserving and enhancing neighborhoods while fostering revitalization and quality development in downtown and along commercial corridors."

NORMS RESTAURANT PROJECT SITE (PROPERTY ID #'S: 39-43)

History and Background

The Norms Restaurant Project Site ("Norms Project Site") is generally located on the southeast corner of Valley Boulevard and Santa Anita Avenue within the Downtown Valley Mall shopping area. The proposed project includes a new state-of-the-art 6,890 square foot modern/retro Norms restaurant featuring indoor and outdoor dining areas, improved landscaping, and approximately 47 parking spaces located upon approximately 34,016 square feet of improved land area. Additional parking will be provided on existing City parking lot areas to the east of Granada Avenue. The project also proposes to stimulate job growth through a City funded job grant, supplied to Norms Restaurant Group, to hire and continuously employ low and moderate income members of the community.

The following images present an aerial of the site's location, current photos of the project site, and a project site rendering:

This aerial view shows the Norm's site. While it is the most up-to-date aerial view readily available, it is outdated. As of 2012, the structures shown on the highlighted parcels have been demolished, as is evidenced in the street-view photos. To date, new curbs, gutters, sidewalks, and bus pads have been constructed as part of the Valley Blvd and Santa Anita Ave Public Street Improvement Project along with the recording of a street easement.

This street view looks south over Property ID#'s: 39 and 40.

This street view looks west over Property ID #'s: 40 – 43.

This rendering of a Norm's Restaurant suggests what the site is intended to look like after development is complete.

The former Redevelopment Agency, in partnership with the City, has put forth significant resources, time, and financial commitments since 2009 to assist in the acquisition of property and right-of-way, provide relocation assistance, and construct necessary intersection improvement projects on Santa Anita Avenue and Valley Boulevard in order to accommodate a development that achieves the vision and economic development goals of the City and properly serves the citizenry.

In 2009, the City was awarded a Metro Call for Projects Grant ("MCFP") for the purpose of constructing the Santa Anita Avenue/Valley Boulevard Intersection Improvement Project (the "Public Street Improvement Project"), which involves a major street corner in Downtown El Monte. The purpose of the project was: 1) to improve traffic circulation at the intersection from a level of service ("LOS") F to a LOS of C; 2) to provide a bus acceleration lane near the southeast corner of Santa Anita Ave. and Valley Blvd.; and 3) to create an exclusive right-hand turn lane on northbound Santa Anita Avenue turning onto Valley Blvd.

As part of this process, the Public Street Improvement Project required the former Redevelopment Agency and the City to acquire 44,346 square feet of private improved land adjacent to the southeast corner of the intersection in order to provide for the additional public right of way (right hand turn lane and bus acceleration lanes) associated with the Public Street Improvement Project. In 2012, the City's Public Works Department demolished the existing buildings and provided specifications on the remaining 34,016 square foot parcel available for sale upon completion of the Public Street Improvement Project. Prior to the completion of demolition, in November 2011, the former Redevelopment Agency and City met with representatives of Norms Restaurant Group to pursue locating a new restaurant to the subject site.

On February 21, 2012, the Successor Agency, City, and representatives of Norms Restaurant Group entered into a "Surplus Public Street Right-of-Way Disposition Planning and Study Agreement (Norms Restaurant)" with the Norms Restaurant Group.

Currently, the Successor Agency and City are in the process of negotiating deal terms and drafting a disposition and development agreement, which is anticipated to be executed subsequent to approval of the disposition of former Redevelopment Agency properties by the Oversight Board and Department of Finance.

As part of the Long Range Property Management Plan process, the Successor Agency intends to dispose of former Redevelopment Agency owned properties associated with the Norms Project Site that are not required for the Public Street Improvement Project. the Successor Agency will make every effort to maximize the value of these properties, enhance the viability of the community as well as satisfy the long-term economic development and planning objectives of the Successor Agency and City. The following outlines the proposed disposition of real property assets of the former Redevelopment Agency as part of the Norms Project Site.

Proposed Real Property Disposition Process

1. Retain Former Redevelopment Agency Lands Held for Future Development Purposes

Pursuant to Section 34191.5(c) of AB 1484, the Successor Agency proposes to retain properties for future development purposes and transfer them to the City of El Monte, which originally formed the Redevelopment Agency. A summary of the former Redevelopment Agency owned properties are identified in Table 5, which follows. The remainder of the information required by Health and Safety Code Section 34191.5(c) follows Table 5 and is also included in Attachment 1 of this report.

El Monte Successor Agency — **Table 5**

Successor Agency Parcels To Be Retained for Future Development (Norms Project Site)

Property ID #	Assessor Parcel Number	Site Address	Land SF	Zoning Code	Permissible Use
39	8575-023-903	10611 Valley Mall	12,139	C-2D	Retain for Future Development
40	8575-023-907	10606 Valley Blvd	7,299	C-2D	Retain for Future Development
41	8575-023-905	10624 Valley Blvd	5,528	C-2D	Retain for Future Development
42	8575-023-906	N.A.	5,187	C-2D	Retain for Future Development
43	8575-023-904	3723 Granada Ave	11,290	C-2D	Retain for Future Development

Source: City of El Monte

Pursuant to the requirements of 34191.5(c) of the Health and Safety Code, the following characteristics apply to all properties listed in Table 5.

Purpose of Acquisition/Date: Land assembly for intersection improvements to accommodate a commercial development.

Description of Property's Potential for Transit Oriented Development: None/not applicable.

Estimate of Income Revenue: No income revenue.

Contractual Requirements for Use of Income/Revenue: Not applicable due to no income revenue.

History of Environmental Contamination, Studies, and/or Remediation, and Designation as a Brownfield Site:

To date, the former Redevelopment Agency, now Successor Agency, has conducted Phase I & II Environmental Assessments on the subject properties and received No Further Action Letters from the appropriate State environmental bodies.

Value at Time of Purchase: $3,925,000 (all properties in Table 5)

Estimated Current Value/Date: $1,150,000 (all properties), Based on Appraisal conducted on June 13, 2012 (Attachment 8).

Distribution of Sales Proceeds:

It is important to note that the properties proposed to be retained for future development were acquired with various funding sources, which include former Redevelopment Agency bonds issued prior to dissolution, Proposition 1B grants and MTA transportation grants. Therefore, when the Successor Agency proceeds with the eventual sale of property retained for future development, a portion of the sales proceeds will need to be used to defease bonds as well as repay any other State and/or local transportation monies borrowed by the former Redevelopment Agency.

However, it is the Successor Agency's full intention to provide any excess revenues generated from the sale of property to the Los Angeles County Auditor Controller for distribution to the taxing entities pursuant to AB 1484.

Advancement of Planning Objectives of the Successor Agency:

As mentioned previously, the improvements and community/economic development initiatives that the Successor Agency intends to implement have been envisioned for the Norms Project Site since 2009 and identified in the former Redevelopment Agency's FY 2009-10 through 2013-14 Five-Year Implementation Plan ("Implementation Plan") (Attachment 7). In the Implementation Plan, it discusses the need for improvements, which "will redesign the intersection (Valley Blvd. and Santa Anita Avenue) to incorporate new turning lanes and traffic controls." It goes on to say that, "The Agency will acquire 30,000 square feet of necessary right-of-way, provide relocation assistance and pay for

intersection widening improvements not covered by an MTA call for projects grant....and pursue the sale of excess land from the project (Pg. 30)."

The Norms Project Site also achieves many of the goals and visions set forth in the City's General Plan. If implemented, the Norms Project would fulfill some of these goals through:

"A balanced community that supports a strong economy and job base that provides ample revenues to support services and the opportunity to achieve a higher standard of living."

"A prosperous economy that fosters a range of business, an entrepreneurial spirit, ample job opportunities, a competitive and trained workforce, and excellent standard of living."

"El Monte's existing businesses will prosper, investing to expand their facilities, creating new job opportunities for current and future residents, and increasing the City's revenues."

FORMER CHEVY SITE - LEASEHOLD INTEREST (PROPERTY ID#: 44)

History and Background

The former Redevelopment Agency entered into a lease agreement with the El Monte Development Company in 2009 to lease the subject property identified above. As a condition of the lease agreement, the former Redevelopment Agency has made lease option payments since 2009 to exercise the option to purchase the property at a later date. To date, the property owner has been approached by MTA to purchase the property in order to expand the Los Angeles County Metropolitan Transportation Authority ("MTA") Bus Terminal, which abuts the subject property. As a result, the former Redevelopment Agency's lease and responsibility for making any further lease payments would be terminated. Furthermore, as a condition of the sale of the property, the Successor Agency stands to gain approximately $1,009,650 in the form of lease option payment credits, for payments made during the term of the lease.

The following photos provide the current condition and use of the subject property:

This street view looks west at the freeway billboard sign located on Property ID#: 44.

This street view looks northwest at the parking lot located on Property ID# 44.

Proposed Asset Disposition Process

Given the requirements established in ABx 1 26 and AB 1484 to dispose of all former Redevelopment Agency assets in an expeditious manner, the Successor Agency is proposing to assign the option to purchase the property under the lease to MTA. The MTA Board of Directors has already authorized the exercise of the option to purchase the land as part of the MTA's obligation to maintain and expand mass transit commuter parking facilities at the El Monte Transit Center (the largest mass transit bus hub in California, with over 1,000 mass transit bus arrivals and departures each weekday).

MTA shall pay the owner the sum of $8,400,000 as the stipulated purchase price under the option to purchase and remit to the Successor Agency, a credit amount, which the

Successor Agency has accumulated since the commencement of the lease in 2009. The Successor Agency shall transfer any revenue obtained, in the form of a credit from MTA, into the Redevelopment Obligation Retirement Fund ("RORF") fund to fulfill approved enforceable obligations. Upon transfer of the property to MTA, the Successor Agency shall have no further responsibility for paying for the monthly lease expense. The property shall then be used by MTA for commuter parking and mass transit related operational uses.

Pursuant to the requirements of 34191.5(c) of the Health and Safety Code, the following characteristics apply to the Former Chevy Site. The remainder of the information required by Health and Safety Code Section 34191.5(c) is provided in Attachment 1 under the "Properties Retained for the Purposes of Fulfilling and Enforceable Obligation" category.

Address:	*3333 Santa Anita Avenue*
APN:	*8579-019-008*
Lot Size:	*161,988sf*
Date of Lease Agreement:	*7/1/2009*
Property Type (DOF Category)	*Parking Lot/Structure*
Current Zoning:	*SP-1, El Monte Gateway Specific Plan*
Est. Leasehold Interest:	*$1,009,650; represents lease option payments made by the former Redevelopment Agency and Successor Agency to date.*
Advancement of Planning Objectives:	*Not applicable*

History of Environmental Contamination, Studies, and/or Remediation, and Designation as a Brownfield Site: *Phase I and II environmental assessments related to soil contamination have been conducted on the subject property.*

Description of Property's Potential for Transit Oriented Development: *Subsequent to the purchase of the subject property by MTA, the property is intended to be used for the purpose of expanding the existing MTA bus terminal and for mass transit operations uses.*

ATTACHMENTS

1 - Property Inventory Data table (DOF Form)

2 - Valuation Methodology

3 - Disposition and Development Agreement (Santa Fe Trail Plaza Project)

4 - Notice of Agreement to Reconfigure Site Parcel Ownership with Developer (Property Exchange Agreement)

5 - Section 33433 Report (Santa Fe Trail Plaza Project)

6 - Draft Letter of Intent to Sell (Santa Fe Trail Plaza Project)

7 - Fiscal Year 2009-10 through 2013-14 Five-Year Implementation Plan

8 - Real Property Appraisal - Goeppner (Norms Project Site)

9 - DOF Long Range Property Management Plan Checklist

10 - Oversight Board Resolution Approving the PMP-Part A

RESOLUTION NO. SA-25

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY APPROVING CHANGES THE SUCCESSOR AGENCY'S LONG RANGE PROPERTY MANAGEMENT PLAN – PART A

WHEREAS, by virtue of the enactment of Health and Safety Code Section 34173(d), the City of El Monte (the "City") is the successor agency to the former El Monte Community Redevelopment Agency; and

WHEREAS, the Oversight Board for the former El Monte Community Redevelopment Agency has been established to direct the City as successor agency to take certain actions to conclude the business affairs of the dissolved former El Monte Community Redevelopment Agency in accordance with Health and Safety Code Section 34179, et seq.; and

WHEREAS, pursuant to Health and Safety Code Section 34191.5(b), successor agencies are required to send long-range property management plans to the Oversight Board and State Department of Finance no later than six months following the issuance of the finding of completion; and

WHEREAS, pursuant to Health and Safety Code Section 34191.3, the long range property management plan is designed to govern the disposition and use of the real property assets of the former redevelopment agency; and

WHEREAS, pursuant to Health and Safety Code Section 34191.5(c)(2), this long-range property management plan addresses the use or disposition of all real property assets of the former redevelopment agency; and

WHEREAS, the State Department of Finance issued a finding of completion to the City as successor agency on April 26, 2013; and

WHEREAS, pursuant to Health and Safety Code Section 34191.5(b), the Long-Range Property Management Plan - Part A was submitted and approved by the Oversight Board on August 29, 2013 and transmitted to the State Department of Finance on August 30, 2013; and

WHEREAS, since the approval by the Oversight Board on August 29, 2013 of the Long-Range Property Management Plan – Part A, technical and conforming changes have been made to the PMP – Part A document (pages 13, 14 and 15 only), as well as Attachments No. 1, 2, and 11; and

WHEREAS, the changes to the Long-Range Property Management Plan – Part A, shall be submitted to the State Department of Finance no later than October 26, 2013.

NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE OVERSIGHT BOARD TO THE CITY OF EL MONTE AS SUCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY AS FOLLOWS:

SECTION 1. The Oversight Board approves the changes to the Long-Range Property Management Plan – Part A in the form as presented to the Oversight Board at the meeting when this Resolution was adopted subject to the approval of the State Department of Finance.

SECTION 2. Staff is directed to submit the Amended Long-Range Property Management Plan – Part A as hereby approved to the State Department of Finance as required by law.

PASSED AND ADOPTED by the Oversight Board of the City as successor agency to former El Monte Community Redevelopment Agency at its special meeting on this 24 of October, 2013.

Chair of the Oversight Board

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF EL MONTE)

I, Chair of the Oversight Board, do hereby certify that the above and foregoing Resolution No. was passed, approved, and adopted by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency of the City of El Monte, signed by the Chair and attested by the Chair at a meeting of said Oversight Board held on this 24th day of OCTOBER 2013, and that said Resolution was adopted by the following votes to wit:

AYES: QUINTERO, OLAFSON, JIMENEZ, PEÑA, GARCIA

NOES: 0

ABSTAIN: 0

ABSENT: SUTKIN, PERDOMO (BZ)

Chair of the Oversight Board

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Purpose of Acquisition/Date: Land assembly for commercial development in the Downtown area.

Description of Property's Potential for Transit Oriented Development: None/not applicable.

Estimate of Income Revenue: Property ID#'s: 5 & 6 ($2,700 per month), Property ID#: 34 ($1,000 per month).

Contractual Requirements for Use of Income/Revenue: License Agreement (Property ID#'s: 5 & 6), License Agreement (Property ID#: 34).

History of Environmental Contamination, Studies, and/or Remediation, and Designation as a Brownfield Site:

To date, the Developer has conducted Phase I Environmental Assessments on the overall development site. Asbestos and Lead Based Paint Surveys have been conducted on all the improved properties. Any such contamination was abated upon demolition of the improved properties.

Value at Time of Purchase: $6,256,536 (includes only properties acquired by former RDA by land purchases).

Estimated Current Value/Date: Approximately $8,799,000 (includes properties acquired through former RDA land purchases and via the Property Exchange Agreement) based on Market Value basis. See Attachment 2 for additional details with respect to the methodology employed to determine current market values.

Distribution of Sales Proceeds:

It should be noted that the properties proposed to be sold in Area X and Area Y were acquired with various funding sources, which include former Redevelopment Agency bonds issued prior to dissolution, HOME funds, Low and Moderate Income Housing funds, and Community Development Block Grant (CDBG) funds. As a result, a portion of the sales proceeds will be required to defease bonds as well as repay Low and Moderate Income funds and other State and local monies used to acquire property. However, it is the Successor Agency's full intention to provide any excess revenues generated from the sale of property to the Los Angeles County Auditor Controller for distribution to the taxing entities.

Location & Description of Properties within Area X and Area Y:

The following is a summary of specific property details and maps indicating the location of the areas identified as Area X and Area Y:

Area X: Area X is generally located on the north end of the Santa Fe Trail Plaza Project site and is bounded by the Metrolink commuter rail to the north, King Court to the south, Monterey Avenue to the east, and abuts the lot line with the

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Edwards Theatre & shopping center to the west. Area X includes a certain assembly of Developer and Successor Agency lands, which are the result of former Redevelopment Agency land purchases and properties acquired through the Property Exchange Agreement under the 2007 DDA, as amended in 2010. Subsequent to the exchange of property, the Successor Agency will sell all parcels in Area X to the Developer based on a fair market appraisal and other ongoing negotiation of sale terms between the parties, which are more fully described in the LOI (Attachment 6). Furthermore, it should be noted that the valuation of Area X will be completed separately from Area Y. Since Area X has specific site constraints, the ultimate price per square foot that is determined may in fact be lower than what is represented in the Property Data Inventory (Attachment No. 1). Table 3 provides further site specific detail with respect to the properties listed in Area X:

El Monte Successor Agency — **Table 3**

Successor Agency Parcels To Be Sold As Part of "Area X"

Property ID #	Assessor Parcel Number	Site Address	Land SF[1]	Zoning Code	Permissible Use
27	8575-021-905	n.a. King Court	76,440	C-2D	Sale of Property
28	8575-021-906	10803 King Court		C-2D	Sale of Property
29	8575-021-907	10719 King Court		C-2D	Sale of Property
30	8575-021-908	n.a.		C-2D	Sale of Property
31	8575-021-910	10731 King Court		C-2D	Sale of Property
32	8575-021-911	10727 King Court		C-2D	Sale of Property
33	8575-021-913	10723 King Court		C-2D	Sale of Property
34a	8575-017-906	10821 Railroad		C-2D	Sale of Property

[1] Site plan recently conducted (Oct. 2013) by Kimley-Horn and Associates reflects the total area calculations for the parcels subject to sale.

Source: El Monte 2007 Disposition and Development Agreement

Area Y: Area Y is generally located on the east end of the Santa Fe Trail Plaza Project site and is bounded by El Monte Avenue to the east, Monterey Avenue to the west, Valley Boulevard to the south, and the Metrolink commuter rail to the north. Area Y includes a certain assembly of Developer and Successor Agency lands, which are the result of former Redevelopment Agency land purchases and properties acquired through the Property Exchange under the 2007 DDA, as amended in 2010. Subsequent to the Property Exchange, the Successor Agency will sell all parcels within Area Y to the Developer based on a fair market appraisal and other ongoing negotiation of sale terms between the parties. Furthermore, the Developer will need to provide the Successor Agency with a Notice of Intention to acquire the properties located in Area Y by no later than June 30, 2014. If this does not occur, the Successor Agency would appear before the Oversight Board to commence marketing efforts to sell properties contained in Area Y to other interested parties. All of the deal terms for the sale of properties in Area Y are more fully described in the LOI (Attachment 6). Table 4 provides further site specific detail with respect to the properties listed in Area Y:

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El Monte Successor Agency					Table 4
Successor Agency Parcels To Be Sold As Part of "Area Y"					
Property ID #	**Assessor Parcel Number**	**Site Address**	**Land SF**	**Zoning Code**	**Permissible Use**
34b	8575-017-906	10821 Railroad	68,800	C-2D	Sale of Property
35	8575-019-907	221 El Monte Ave	Incl. in 16	C-2D	Sale of Property
36	8575-019-908	3649 El Monte Ave	Incl. in 16	C-2D	Sale of Property
37	8575-021-902	3721 Monterey	Incl. in 23	C-2D	Sale of Property
38	8575-021-909	10811 King Court	Incl. in 34b	C-2D	Sale of Property
16	8575-019-001	3704 Monterey Avenue	72,040	C-2D	Sale of Property
17	8575-022-012	3705 Monterey Avenue	6,850	C-2D	Sale of Property
18	8575-022-013	No site address		C-2D	Sale of Property
19	8575-019-027	10819 Valley Boulevard	Incl. in 16	C-2D	Sale of Property
20	8575-019-004	3645 El Monte Avenue	Incl. in 16	C-2D	Sale of Property
21	8575-019-006	3716 Monterey Avenue	Incl. in 16	C-2D	Sale of Property
22	8575-019-003	3637 El Monte Avenue	Incl. in 16	C-2D	Sale of Property
23	8575-021-008	3725 Monterey Avenue	13,980	C-2D	Sale of Property
24	8575-021-009	3729 Monterey Avenue	Incl. in 23	C-2D	Sale of Property
26	8575-022-010	3713 Monterey Avenue	5,400	C-2D	Sale of Property

Note: Property ID#'s 16 through 24 and 26 were, as indicated in Table 2, acquired by the Agency via the Property Exchange Agreement and are proposed to be sold at fair market value as part of Area Y.

Source: El Monte 2007 Disposition and Development Agreement

The following map (Exhibit D) provides the general location of properties located in Area X and Y.

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OB RESOLUTION NO. OB-34

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY APPROVING CHANGES TO THE SUCCESSOR AGENCY'S LONG RANGE PROPERTY MANAGEMENT PLAN – PART A

WHEREAS, by virtue of the enactment of Health and Safety Code Section 34173(d), the City of El Monte (the "City") is the successor agency to the former El Monte Community Redevelopment Agency; and

WHEREAS, the Oversight Board for the former El Monte Community Redevelopment Agency has been established to direct the City as successor agency to take certain actions to conclude the business affairs of the dissolved former El Monte Community Redevelopment Agency in accordance with Health and Safety Code Section 3417 et seq.; and

WHEREAS, pursuant to Health and Safety Code Section 34191.5(b), successor agencies are required to send long-range property management plans to the Oversight Board and State Department of Finance no later than six months following the issuance of the finding of completion; and

WHEREAS, pursuant to Health and Safety Code Section 34191.3, the long range property management plan is designed to govern the disposition and use of the real property assets of the former redevelopment agency; and

WHEREAS, pursuant to Health and Safety Code Section 34191.5(c)(2), this long-range property management plan addresses the use or disposition of all real property assets of the former redevelopment agency; and

WHEREAS, the State Department of Finance issued a finding of completion to the City as successor agency on April 26, 2013; and

WHEREAS, pursuant to Health and Safety Code Section 34191.5(b), the Long-Range Property Management Plan - Part A was submitted and approved by the Oversight Board on August 29, 2013 and transmitted to the State Department of Finance on August 30, 2013; and

WHEREAS, since the approval by the Oversight Board on August 29, 2013 of the Long-Range Property Management Plan – Part A, changes have been made to the PMP – Part A document (pages 18 through 22 only), as well as Attachment No. 1 to the PMP – Part A; and

WHEREAS, the changes to the Long-Range Property Management Plan – Part A, shall be submitted to the State Department of Finance no later than March 3, 2014.

NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE OVERSIGHT BOARD TO THE CITY OF EL MONTE AS SUCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY AS FOLLOWS:

SECTION 1. The Oversight Board approves the changes to the Long-Range Property Management Plan – Part A in the form as presented to the Oversight Board at the meeting when this Resolution was adopted subject to the approval of the State Department of Finance.

SECTION 2. Staff is directed to submit the amended Long-Range Property Management Plan – Part A as hereby approved to the State Department of Finance as required by law.

PASSED AND ADOPTED by the Oversight Board of the Successor Agency to the former El Monte Community Redevelopment Agency at its ~~regular~~ special meeting on this 27th of February, 2014.

Chair of the Oversight Board

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF EL MONTE)

I, Chair of the Oversight Board, do hereby certify that the above and foregoing OB Resolution No. OB-34 was passed, approved, and adopted by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency, signed by the Chair and attested by the Chair at a meeting of said Oversight Board held on this 27th day of February 2014, and that said Resolution was adopted by the following votes to wit:

AYES: Chairman Quintero, Oversight Board Members Solorzano, Olaffson and Sutkin

NOES: None

ABSTAIN: None

ABSENT: Oversight Board Members Garcia, Perdomo and Jimenez

Chair of the Oversight Board

NORMS RESTAURANT PROJECT SITE (PROPERTY ID #'S: 39-43)

History and Background

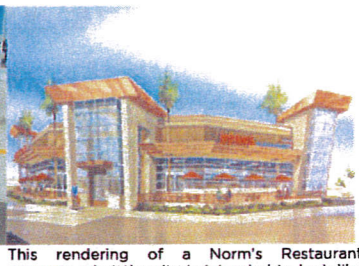
The Norms Restaurant Project Site ("Norms Project Site") is generally located on the southeast corner of Valley Boulevard and Santa Anita Avenue within the Downtown Valley Mall shopping area. The proposed project includes a new state-of-the-art 6,890 square foot modern/retro Norms restaurant featuring indoor and outdoor dining areas, improved landscaping, and approximately 47 parking spaces located upon approximately 34,016 square feet of improved land area. Additional parking will be provided on existing City parking lot areas to the east of Granada Avenue. The project also proposes to stimulate job growth through a City funded job grant, supplied to Norms Restaurant Group, to hire and continuously employ low and moderate income members of the community.

The following images present an aerial of the site's location, current photos of the project site, and a project site rendering:

This aerial view shows the Norm's site. While it is the most up-to-date aerial view readily available, it is outdated. As of 2012, the structures shown on the highlighted parcels have been demolished, as is evidenced in the street-view photos. To date, new curbs, gutters, sidewalks, and bus pads have been constructed as part of the Valley Blvd and Santa Anita Ave Public Street Improvement Project along with the recording of a street easement.

This street view looks south over Property ID#'s: 39 and 40.

This street view looks west over Property ID #'s: 40 – 43.



This rendering of a Norm's Restaurant suggests what the site is intended to look like after development is complete.

The former Redevelopment Agency, in partnership with the City, has put forth significant resources, time, and financial commitments since 2009 to assist in the acquisition of property and right-of-way, provide relocation assistance, and construct necessary intersection improvement projects on Santa Anita Avenue and Valley Boulevard in order to accommodate a development that achieves the vision and economic development goals of the City and properly serves the citizenry.

In 2009, the City was awarded a Metro Call for Projects Grant ("MCFP") for the purpose of constructing the Santa Anita Avenue/Valley Boulevard Intersection Improvement Project (the "Public Street Improvement Project"), which involves a major street corner in Downtown El Monte. The purpose of the project was: 1) to improve traffic circulation at the intersection from a level of service ("LOS") F to a LOS of C; 2) to provide a bus acceleration lane near the southeast corner of Santa Anita Ave. and Valley Blvd.; and 3) to create an exclusive right-hand turn lane on northbound Santa Anita Avenue turning onto Valley Blvd.

As part of this process, the Public Street Improvement Project required the former Redevelopment Agency and the City to acquire 44,346 square feet of private improved land adjacent to the southeast corner of the intersection in order to provide for the additional public right of way (right hand turn lane and bus acceleration lanes) associated with the Public Street Improvement Project. In 2012, the City's Public Works Department demolished the existing buildings and provided specifications on the remaining 34,016 square foot parcel available for sale upon completion of the Public Street Improvement Project. Prior to the completion of demolition, in November 2011, the former Redevelopment Agency and City met with representatives of Norms Restaurant Group to pursue locating a new restaurant to the subject site.

On February 21, 2012, the Successor Agency, City, and representatives of Norms Restaurant Group entered into a "Surplus Public Street Right-of-Way Disposition Planning and Study Agreement (Norms Restaurant)" with the Norms Restaurant Group.

Currently, the Successor Agency and City are in the process of negotiating deal terms and drafting a disposition and development agreement, which is anticipated to be executed subsequent to approval of the disposition of former Redevelopment Agency properties by the Oversight Board and Department of Finance.

As part of the Long Range Property Management Plan process, the Successor Agency intends to dispose of former Redevelopment Agency owned properties associated with the Norms Project Site that ~~are~~ were not required for the Public Street Improvement Project~~, the~~ The Successor Agency will make every effort to maximize the value of these properties, enhance the viability of the community as well as satisfy the long-term economic development and planning objectives of the Successor Agency and City. The following outlines the proposed disposition of real property assets of the former Redevelopment Agency as part of the Norms Project Site.

Proposed Real Property Disposition Process

1. ~~Retain~~ Sale of Former Redevelopment Agency Lands ~~Held for Future Development Purposes~~

   Pursuant to Section 34191.5(c) of AB 1484, the Successor Agency proposes to sell~~retain~~ the subject properties ~~for future development purposes and transfer them~~ to the City of El Monte, which originally formed the Redevelopment Agency. Prior to the sale of the properties, the fair market value ~~will~~ be determined by a licensed appraiser that will be subject to Oversight Board approval. ~~A~~ A summary of the former Redevelopment Agency owned properties are identified in Table 5, which follows. The remainder of the information required by Health and Safety Code Section 34191.5(c) follows Table 5 and is also included in Attachment 1 of this report.

El Monte Successor Agency **Table 5**
Successor Agency Parcels to Be Sold (Norms Project Site)

Property ID #	Assessor Parcel Number	Site Address	Land SF	Zoning Code	Permissible Use
39	8575-023-903	10611 Valley Mall	12,139	C-2D	Sale
40	8575-023-907	10606 Valley Blvd	7,299	C-2D	Sale
41	8575-023-905	10624 Valley Blvd	5,528	C-2D	Sale
42	8575-023-906	N.A.	5,187	C-2D	Sale
43	8575-023-904	3723 Granada Ave.	11,290	C-2D	Sale

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Pursuant to the requirements of 34191.5(c) of the Health and Safety Code, the following characteristics apply to all properties listed in Table 5.

Purpose of Acquisition/Date: Land assembly for intersection improvements to accommodate a commercial development.

Description of Property's Potential for Transit Oriented Development: None/not applicable.

Estimate of Income Revenue: No income revenue.

Contractual Requirements for Use of Income/Revenue: Not applicable due to no income revenue.

History of Environmental Contamination, Studies, and/or Remediation, and Designation as a Brownfield Site:

To date, the former Redevelopment Agency, now Successor Agency, has conducted Phase I & II Environmental Assessments on the subject properties and received No Further Action Letters from the appropriate State environmental bodies.

Value at Time of Purchase: $3,925,000 (all properties in Table 5)

Estimated Current Value/Date: $1,150,000 (all properties), Based on Appraisal conducted on June 13, 2012 (Attachment 8).

Distribution of Sales Proceeds:

It is important to note that the properties proposed to be ~~retained for future development~~sold were acquired with various funding sources, which include former Redevelopment Agency bonds issued prior to dissolution, Proposition 1B grants and MTA transportation grants. Therefore, when the Successor Agency proceeds with the eventual sale of the subject properties~~y retained for future development~~, a portion of the sales proceeds will need to be used to defease bonds as well as repay any other State and/or local transportation monies borrowed by the former Redevelopment Agency. However, it is the Successor Agency's full intention to provide any excess revenues generated from the sale of property to the Los Angeles County Auditor Controller for distribution to the taxing entities pursuant to AB 1484.

The table below provides a summary of the funding sources and amounts used to originally acquire land for the Public Street Improvement Project as well as the proposed disposition of any future sale proceeds. It should be noted that the estimated value of land to be sold, as shown in the table, was based on an appraisal conducted in June 2012. The Successor Agency intends to conduct an updated appraisal prior to the sale of the subject properties, which may require an adjustment to the amounts shown in the table below. [Table is included as an attachment to the Oversight Board agenda]

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Advancement of Planning Objectives of the Successor Agency:

As mentioned previously, the improvements and community/economic development initiatives that the Successor Agency intends to implement have been envisioned for the Norms Project Site since 2009 and identified in the former Redevelopment Agency's FY 2009-10 through 2013-14 Five-Year Implementation Plan ("Implementation Plan") (Attachment 7). In the Implementation Plan, it discusses the need for improvements, which "will redesign the intersection (Valley Blvd. and Santa Anita Avenue) to incorporate new turning lanes and traffic controls." It goes on to say that, "The Agency will acquire 30,000 square feet of necessary right-of-way, provide relocation assistance and pay for intersection widening improvements not covered by an MTA call for projects grant....and pursue the sale of excess land from the project (Pg. 30)."

The Norms Project Site also achieves many of the goals and visions set forth in the City's General Plan. If implemented, the Norms Project would fulfill some of these goals through:

"A balanced community that supports a strong economy and job base that provides ample revenues to support services and the opportunity to achieve a higher standard of living."

"A prosperous economy that fosters a range of business, an entrepreneurial spirit, ample job opportunities, a competitive and trained workforce, and excellent standard of living."

"El Monte's existing businesses will prosper, investing to expand their facilities, creating new job opportunities for current and future residents, and increasing the City's revenues."

Successor Agency: El Monte Successor Agency
County: Los Angeles County

LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY INVENTORY DATA

		HSC 34181.5 (e)(2)		HSC 34181.5 (e)(1)(A)						SALE OF PROPERTY		HSC 34181.5 (e)(1)(B)	HSC 34181.5 (e)(1)(C)				HSC 34191.5 (e)(1)(D)	HSC 34181.5 (e)(1)(E)		HSC 34191.5 (e)(1)(F)	HSC 34181.5 (e)(1)(G)		HSC 34191.5 (e)(1)(H)	
No.	Property Type	Permissible Use	Permissible Use Detail	Acquisition /Agreement Date	Value at Time of Purchase	Estimated Current Value	Value Basis	Date of Estimated Current Value	Proposed Sale Value	Proposed Sale Date	Purpose for which property was acquired	Address	APN #	Lot Size (SF)	Current Zoning	Estimate of Current Parcel Value	Estimate of Income/Revenue	Contractual requirements for use of income/revenue	History of environmental contamination, studies, and/or remediation, and designation as a brownfield site	Description of property's potential for transit oriented development	Advancement of planning objectives of the successor agency	History of previous development proposals and activity	Project / Current Use Detail
1	Vacant Lot/Land	Fulfill Enforceable Obligation	Exchange for similar property under DDA terms	5/6/2010	$258,000	See Detail in LRPMP Document	Market	August 2013	n.a.	n.a.	Land assembly for commercial development in Downtown Area	10730 Court Adair	8575-029-915	4,556	C-2D, Retail Commercial with Design Overlay	See Detail in LRPMP Document	0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
2	Vacant Lot/Land	Fulfill Enforceable Obligation	Exchange for similar property under DDA terms	8/1/2003	$170,000	See Detail in LRPMP Document	Market	August 2013	n.a.	n.a.	Land assembly for commercial development in Downtown Area	10723 Court Adair	8575-021-901	4,966	C-2D, Retail Commercial with Design Overlay	See Detail in LRPMP Document	0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
3	Vacant Lot/Land	Fulfill Enforceable Obligation	Exchange for similar property under DDA terms	4/28/2005	$240,000	See Detail in LRPMP Document	Market	August 2013	n.a.	n.a.	Land assembly for commercial development in Downtown Area	10714 King Court	8575-021-914	3,176	C-2D, Retail Commercial with Design Overlay	See Detail in LRPMP Document	0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
4	Vacant Lot/Land	Fulfill Enforceable Obligation	Exchange for similar property under DDA terms	5/1/1998	$43,929	See Detail in LRPMP Document	Market	August 2013	n.a.	n.a.	Land assembly for commercial development in Downtown Area	10806 Court Adair	8575-022-911	4,478	C-2D, Retail Commercial with Design Overlay	See Detail in LRPMP Document	0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
5	Vacant Lot/Land	Fulfill Enforceable Obligation	Exchange for similar property under DDA terms	3/1/2001	Included in value of 10821 Railroad	See Detail in LRPMP Document	Market	August 2013	n.a.	n.a.	Land assembly for commercial development in Downtown Area	3721 Monterey	8575-021-003	18,137	C-2D, Retail Commercial with Design Overlay	See Detail in LRPMP Document	$2,700 per month	License Agreement	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
6	Industrial	Fulfill Enforceable Obligation	Exchange for similar property under DDA terms	3/1/2001	Included in value of 10821 Railroad	See Detail in LRPMP Document	Market	August 2013	n.a.	n.a.	Land assembly for commercial development in Downtown Area	3721 Monterey	8575-021-904	3,178	C-3D, Retail Commercial with Design Overlay	See Detail in LRPMP Document			Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
7	Vacant Lot/Land	Fulfill Enforceable Obligation	Exchange for similar property under DDA terms	3/4/2002	$240,000	See Detail in LRPMP Document	Market	August 2013	n.a.	n.a.	Land assembly for commercial development in Downtown Area	10727 Valley Blvd	8575-022-912	7,514	C-2D, Retail Commercial with Design Overlay	See Detail in LRPMP Document	0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
8	Vacant Lot/Land	Fulfill Enforceable Obligation	Exchange for similar property under DDA terms	5/15/2002	$136,000	See Detail in LRPMP Document	Market	August 2013	n.a.	n.a.	Land assembly for commercial development in Downtown Area	10735 Court Adair	8575-022-913	4,556	C-3D, Retail Commercial with Design Overlay	See Detail in LRPMP Document	0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
9	Vacant Lot/Land	Fulfill Enforceable Obligation	Exchange for similar property under DDA terms	6/13/2002	$201,250	See Detail in LRPMP Document	Market	August 2013	n.a.	n.a.	Land assembly for commercial development in Downtown Area	10724 Court Adair	8575-022-914	4,556	C-2D, Retail Commercial with Design Overlay	See Detail in LRPMP Document	0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
10	Vacant Lot/Land	Fulfill Enforceable Obligation	Exchange for similar property under DDA terms	7/8/2002	$155,500	See Detail in LRPMP Document	Market	August 2013	n.a.	n.a.	Land assembly for commercial development in Downtown Area	10719 Court Adair	8575-021-912	5,354	C-2D, Retail Commercial with Design Overlay	See Detail in LRPMP Document	0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
11	Vacant Lot/Land	Fulfill Enforceable Obligation	Exchange for similar property under DDA terms	6/25/2008	$365,500	See Detail in LRPMP Document	Market	August 2013	n.a.	n.a.	Land assembly for commercial development in Downtown Area	10736 King Court	8575-021-915	3,812	C-2D, Retail Commercial with Design Overlay	See Detail in LRPMP Document	0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
12	Vacant Lot/Land	Fulfill Enforceable Obligation	Exchange for similar property under DDA terms	10/21/2008	$419,750	See Detail in LRPMP Document	Market	August 2013	n.a.	n.a.	Land assembly for commercial development in Downtown Area	10732 King Court	8575-021-916	3,812	C-3D, Retail Commercial with Design Overlay	See Detail in LRPMP Document	0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
13	Vacant Lot/Land	Fulfill Enforceable Obligation	Exchange for similar property under DDA terms	12/8/2008	$377,500	See Detail in LRPMP Document	Market	August 2013	n.a.	n.a.	Land assembly for commercial development in Downtown Area	10711 Court Adair	8575-021-917	5,098	C-2D, Retail Commercial with Design Overlay	See Detail in LRPMP Document	0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
14	Vacant Lot/Land	Fulfill Enforceable Obligation	Exchange for similar property under DDA terms	11/25/2008	$360,000	See Detail in LRPMP Document	Market	August 2013	n.a.	n.a.	Land assembly for commercial development in Downtown Area	10712 Court Adair	8575-022-916	4,639	C-2D, Retail Commercial with Design Overlay	See Detail in LRPMP Document	0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
15	Vacant Lot/Land	Fulfill Enforceable Obligation	Exchange for similar property under DDA terms	3/20/2009	$392,500	See Detail in LRPMP Document	Market	August 2013	n.a.	n.a.	Land assembly for commercial development in Downtown Area	10806 King Court	8575-021-918	4,243	C-2D, Retail Commercial with Design Overlay	See Detail in LRPMP Document	0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
16	Vacant Lot/Land	Sale of Property	Exchange for similar property under DDA terms & subsequent sale to developer as part of Area Y	See DDA & Letter of Intent for Terms/Details	See DDA & Letter of Intent for Terms/Details	$2,519,000	Market	August 2013	$2,519,000	June 30 ,2014	Land assembly for commercial development in Downtown Area	3704 Monterey Avenue	8575-019-901	72,040	C-3D, Retail Commercial with Design Overlay	$2,519,000	0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
17	Vacant Lot/Land	Sale of Property	Exchange for similar property under DDA terms & subsequent sale to developer as part of Area Y	See DDA & Letter of Intent for Terms/Details	See DDA & Letter of Intent for Terms/Details	$251,000	Market	August 2013	$261,000	June 30 ,2014	Land assembly for commercial development in Downtown Area	3708 Monterey Avenue	8575-022-912	6,850	C-2D, Retail Commercial with Design Overlay	$251,000	0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
18	Vacant Lot/Land	Sale of Property	Exchange for similar property under DDA terms & subsequent sale to developer as part of Area Y	See DDA & Letter of Intent for Terms/Details	See DDA & Letter of Intent for Terms/Details		Market	July 2013		June 30 ,2014	Land assembly for commercial development in Downtown Area	No site address	8575-022-013		C-2D, Retail Commercial with Design Overlay		0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
19	Commercial	Sale of Property	Exchange for similar property under DDA terms & subsequent sale to developer as part of Area Y	See DDA & Letter of Intent for Terms/Details	See DDA & Letter of Intent for Terms/Details	Included in 18	Market	August 2013	Included in 18	June 30 ,2014	Land assembly for commercial development in Downtown Area	10819 Valley Boulevard	8575-019-027	Included in 18	C-3D, Retail Commercial with Design Overlay	Included in 18	0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project

LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY INVENTORY DATA

		HSC 34191.5 (c)(2)		HSC 34191.5 (c)(1)(A)					SALE OF PROPERTY		HSC 34191.5 (c)(1)(B)	HSC 34191.5 (c)(1)(C)					HSC 34191.5 (c)(1)(D)	HSC 34191.5 (c)(1)(E)		HSC 34191.5 (c)(1)(F)	HSC 34191.5 (c)(1)(G)		HSC 34191.5 (c)(1)(H)	
No.	Property Type	Permissible Use	Permissible Use Detail	Acquisition /Agreement Date	Value at Time of Purchase	Estimated Current Value	Value Basis	Date of Estimated Current Value	Proposed Sale Value	Proposed Sale Date	Purpose for which property was acquired	Address	APN #	Lot Size (SF)	Current Zoning	Estimate of Current Parcel Value	Estimate of Income/Revenue	Contractual requirements for use of income/revenue	History of environmental contamination, studies, and/or remediation, and designation as a brownfield site	Description of property's potential for transit oriented development	Advancement of planning objectives of the successor agency	History of previous development proposals and activity	Project / Current Use Detail
20	Vacant Lot/Land	Sale of Property	Exchange for similar property under DDA terms & subsequent sale to developer as part of Area V	See DDA & Letter of Intent for Terms/Details	See DDA & Letter of Intent for Terms/Details	Included in 16	Market	August 2013	Included in 16	June 30 ,2014	Land assembly for commercial development in Downtown Area	3845 El Monte Avenue	8575-018-004	Included in 16	C-2D, Retail Commercial with Design Overlay	Included in 16	0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
21	Vacant Lot/Land	Sale of Property	Exchange for similar property under DDA terms & subsequent sale to developer as part of Area V	See DDA & Letter of Intent for Terms/Details	See DDA & Letter of Intent for Terms/Details	Included in 16	Market	August 2013	Included in 16	June 30 ,2014	Land assembly for commercial development in Downtown Area	3716 Monterey Avenue	8575-019-036	Included in 16	C-2D, Retail Commercial with Design Overlay	Included in 16	0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
22	Vacant Lot/Land	Sale of Property	Exchange for similar property under DDA terms & subsequent sale to developer as part of Area V	See DDA & Letter of Intent for Terms/Details	See DDA & Letter of Intent for Terms/Details	Included in 16	Market	August 2013	Included in 16	June 30 ,2014	Land assembly for commercial development in Downtown Area	3837 El Monte Avenue	8575-019-033	Included in 16	C-2D, Retail Commercial with Design Overlay	Included in 16	0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
23	Vacant Lot/Land	Sale of Property	Exchange for similar property under DDA terms & subsequent sale to developer as part of Area V	See DDA & Letter of Intent for Terms/Details	See DDA & Letter of Intent for Terms/Details	$513,000	Market	August 2013	$513,000	June 30 ,2014	Land assembly for commercial development in Downtown Area	3726 Monterey Avenue	8575-021-006	13,980	C-2D, Retail Commercial with Design Overlay	$513,000	0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
24	Vacant Lot/Land	Sale of Property	Exchange for similar property under DDA terms & subsequent sale to developer as part of Area V	See DDA & Letter of Intent for Terms/Details	See DDA & Letter of Intent for Terms/Details	Included in 23	Market	August 2013	Included in 23	June 30 ,2014	Land assembly for commercial development in Downtown Area	3726 Monterey Avenue	8575-021-039	Included in 23	C-2D, Retail Commercial with Design Overlay	Included in 23	0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
25	Vacant Lot/Land	Sale of Property	Exchange for similar property under DDA terms	See DDA & Letter of Intent for Terms/Details	See DDA & Letter of Intent for Terms/Details	See Detail in LRPMP Document	Market	August 2013	n.a.	n.a.	Land assembly for commercial development in Downtown Area	10810 Court Adair	8575-022-009	4,566	C-2D, Retail Commercial with Design Overlay	See Detail in LRPMP Document	0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
26	Vacant Lot/Land	Sale of Property	Exchange for similar property under DDA terms & subsequent sale to developer as part of Area V	See DDA & Letter of Intent for Terms/Details	See DDA & Letter of Intent for Terms/Details	$199,000	Market	August 2013	$199,000	June 30 ,2014	Land assembly for commercial development in Downtown Area	3713 Monterey Avenue	8575-022-010	5,400	C-2D, Retail Commercial with Design Overlay	$199,000	0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
27	Vacant Lot/Land	Sale of Property	Sale to developer as part of Area X	3/1/2001	Included in value of 10821 Railroad		Market	August 2013	$2,792,000	Within 30 days of PMP Approval	Land assembly for commercial development in Downtown Area	n.a. King Court	8575-021-005	76,440	C-2D, Retail Commercial with Design Overlay	$2,792,000	0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
28	Vacant Lot/Land	Sale of Property	Sale to developer as part of Area X	3/1/2001	Included in value of 10821 Railroad		Market	August 2013		Within 30 days of PMP Approval	Land assembly for commercial development in Downtown Area	10803 King Court	8575-021-006		C-2D, Retail Commercial with Design Overlay		0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
29	Vacant Lot/Land	Sale of Property	Sale to developer as part of Area X	3/1/2001	Included in value of 10821 Railroad		Market	August 2013		Within 30 days of PMP Approval	Land assembly for commercial development in Downtown Area	10719 King Court	8575-021-007		C-2D, Retail Commercial with Design Overlay		0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
30	Vacant Lot/Land	Sale of Property	Sale to developer as part of Area X	3/1/2001	Included in value of 10821 Railroad		Market	August 2013		Within 30 days of PMP Approval	Land assembly for commercial development in Downtown Area	n.a.	8575-021-008		C-2D, Retail Commercial with Design Overlay		0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
31	Vacant Lot/Land	Sale of Property	Sale to developer as part of Area X	3/1/2001	Included in value of 10821 Railroad	$2,792,000	Market	August 2013		Within 30 days of PMP Approval	Land assembly for commercial development in Downtown Area	10731 King Court	8575-021-810		C-2D, Retail Commercial with Design Overlay		0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
32	Vacant Lot/Land	Sale of Property	Sale to developer as part of Area X	3/29/2002	$138,000		Market	August 2013		Within 30 days of PMP Approval	Land assembly for commercial development in Downtown Area	10727 King Court	8575-021-811		C-2D, Retail Commercial with Design Overlay		0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
33	Vacant Lot/Land	Sale of Property	Sale to developer as part of Area X	4/21/2005	$260,000		Market	August 2013		Within 30 days of PMP Approval	Land assembly for commercial development in Downtown Area	10723 King Court	8575-021-813		C-2D, Retail Commercial with Design Overlay		0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
34a	Industrial	Sale of Property	Sale to developer as part of Area X & Area Y per a Lot Line Adjustment in DDA Property Exhange Agreement	3/1/2001	$2,155,000		Market	August 2013		Within 30 days of PMP Approval	Land assembly for commercial development in Downtown Area	10821 Railroad	8575-017-008		C-2D, Retail Commercial with Design Overlay		$1,000 per month	License Agreement	Phase I Environmental Assessment, Asbestos & Lead Based Paint Surveys	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
34b	Industrial	Sale of Property	Sale to developer as part of Area X & Area Y per a Lot Line Adjustment in DDA Property Exhange Agreement	Same as 34a	Same as 34a	$2,526,000	Market	August 2013	$2,526,000	Within 30 days of PMP Approval	Land assembly for commercial development in Downtown Area	10821 Railroad	Some as 34a	58,800	C-2D, Retail Commercial with Design Overlay	$2,526,000	$1,000 per month	License Agreement	Phase I Environmental Assessment, Asbestos & Lead Based Paint Surveys	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
35	Industrial	Sale of Property	Sale to developer as part of Area Y	3/1/2001	Included in value of 10821 Railroad	Included in 16	Market	August 2013	Included in 16	June 30 ,2014	Land assembly for commercial development in Downtown Area	221 El Monte Ave	8575-019-007	Included in 16	C-2D, Retail Commercial with Design Overlay	Included in 16	0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
36	Vacant Lot/Land	Sale of Property	Sale to developer as part of Area Y	10/1/2009	$431,537	Included in 16	Market	August 2013	Included in 16	June 30 ,2014	Land assembly for commercial development in Downtown Area	3649 El Monte Ave	8575-019-009	Included in 16	C-2D, Retail Commercial with Design Overlay	Included in 16	0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project

LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY INVENTORY DATA

		HSC 34191.5 (c)(2)		HSC 34191.5 (c)(1)(A)					SALE OF PROPERTY		HSC 34191.5 (c)(1)(B)	HSC 34191.5 (c)(1)(C)					HSC 34191.5 (c)(1)(D)	HSC 34191.5 (c)(1)(E)		HSC 34191.5 (c)(1)(F)	HSC 34191.5 (c)(1)(G)	HSC 34191.5 (c)(1)(H)	
No.	Property Type	Permissible Use	Permissible Use Detail	Acquisition (Agreement Date	Value at Time of Purchase	Estimated Current Value	Value Basis	Date of Estimated Current Value	Proposed Sale Value	Proposed Sale Date	Purpose for which property was acquired	Address	APN #	Lot Size (SF)	Current Zoning	Estimate of Current Parcel Value	Estimate of Income/Revenue	Contractual requirements for use of income/revenue	History of environmental contamination, studies, and/or remediation, and designation as a brownfield site	Description of property's potential for transit oriented development	Advancement of planning objectives of the successor agency	History of previous development proposals and activity	Project / Current Use Detail
37	Vacant Lot/Land	Sale of Property	Sale to developer as part of Area Y	3/1/2001	Included in value of 10821 Railroad	Included in 23	Market	August 2013	Included in 23	June 30 ,2014	Land assembly for commercial development in Downtown Area	3721 Monterey	8575-021-002	Included in 23	C-2D, Retail Commercial with Design Overlay	Included in 23	0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
38	Vacant Lot/Land	Sale of Property	Sale to developer as part of Area Y	3/1/2001	Included in value of 10821 Railroad	Included in 34b	Market	August 2013	Included in 34b	June 30 ,2014	Land assembly for commercial development in Downtown Area	10811 King Court	8575-021-009	Included in 34b	C-2D, Retail Commercial with Design Overlay	Included in 34b	0	n.a.	Phase I Environmental Assessment	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Santa Fe Trail Plaza Project
39	Vacant Lot/Land	Sale of Property	Norm's Project Site	2/15/2011	$1,175,000	$1,150,000	Appraised	June 13,2012	$1,150,000	n.a.	Land assembly for intersection improvements to accommodate a commercial development	10611 Valley Mall	8575-023-003	12,139	C-2D, Retail Commercial with Design Overlay	$1,150,000	0	n.a.	Phase I & II Environmental Assesments & No Further Action Letters	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Norms Project Site
40	Vacant Lot/Land	Sale of Property	Norm's Project Site	2/15/2011	$2,750,000					n.a.	Land assembly for intersection improvements to accommodate a commercial development	10606 Valley Blvd	8575-023-007	7,209	C-2D, Retail Commercial with Design Overlay		0	n.a.	Phase I & II Environmental Assesments & No Further Action Letters	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Norms Project Site
41	Vacant Lot/Land	Sale of Property	Norm's Project Site	2/18/2011						n.a.	Land assembly for intersection improvements to accommodate a commercial development	10624 Valley Blvd	8575-023-005	5,528	C-2D, Retail Commercial with Design Overlay		0	n.a.	Phase I & II Environmental Assesments & No Further Action Letters	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Norms Project Site
42	Vacant Lot/Land	Sale of Property	Norm's Project Site	2/18/2011						n.a.	Land assembly for intersection improvements to accommodate a commercial development	N.A.	8575-023-006	5,187	C-2D, Retail Commercial with Design Overlay		0	n.a.	Phase I & II Environmental Assesments & No Further Action Letters	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Norms Project Site
43	Vacant Lot/Land	Sale of Property	Norm's Project Site	2/18/2011						n.a.	Land assembly for intersection improvements to accommodate a commercial development	3723 Granada Ave	8575-023-004	11,290	C-2D, Retail Commercial with Design Overlay		0	n.a.	Phase I & II Environmental Assesments & No Further Action Letters	n.a.	See Detail in LRPMP Document	See Detail in LRPMP Document	Norms Project Site
44	Parking Lot/Structure	Fulfill Enforceable Obligation	Park and Ride Lot (Leasehold Interest)	7/1/2009	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	TOD parking to support expansion of MTA Bus Terminal	3333 Santa Anita	8578-019-008	161,978	SP-1, El Monte Gateway Specific Plan	n.a.	$1,009,650	Lease Agreement	Phase I and II Environmental Assessments	TOD parking to support expansion of MTA Bus Terminal	See Detail in LRPMP Document	See Detail in LRPMP Document	Former Chevy Site

OB RESOLUTION NO. OB-57

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER EL MONTE REDEVELOPMENT AGENCY APPROVING THE SUCCESSOR AGENCY TO THE FORMER EL MONTE REDEVELOPMENT AGENCY'S AMENDED LONG-RANGE PROPERTY MANAGEMENT PLAN PART B

WHEREAS, the Former El Monte Redevelopment Agency ("Former Agency") was established as a redevelopment agency previously organized and existing under the California Community Redevelopment Law, Health and Safety Code ("HSC") Section 33000, *et seq.*, and previously authorized to transact business and exercise powers of a redevelopment agency pursuant to action of the City Council of the City of El Monte ("City"); and

WHEREAS, Assembly Bill x1 26 chaptered and effective on June 27, 2011 added Parts 1.8 and 1.85 to Division 24 of the California HSC, which caused the dissolution of all redevelopment agencies and winding down of the affairs of former redevelopment agencies, including as such laws were amended by Assembly Bill 1484 chaptered and effective on June 27, 2012 (together, the "Dissolution Act"); and

WHEREAS, as of February 1, 2012, the Former Agency was dissolved pursuant to the Dissolution Act, and as a separate legal entity the City serves as the Successor Agency to the Former El Monte Redevelopment Agency ("Successor Agency"); and

WHEREAS, the Successor Agency administers the enforceable obligations and property disposition of the Former Agency and otherwise unwinds the Former Agency's affairs, all subject to the review and approval of the seven-member Oversight Board of the Successor Agency to the Former El Monte Redevelopment Agency ("Oversight Board"); and

WHEREAS, pursuant to HSC Section 34191.5, the Successor Agency was required to send a Long-Range Property Management Plan ("PMP") governing the use and disposition of the Former Agency's real property assets to the Oversight Board and State Department of Finance ("DOF") no later than six months following the issuance of its finding of completion; and

WHEREAS, DOF issued a finding of completion to the Successor Agency on April 26, 2013; and

WHEREAS, the Successor Agency structured the PMP as a bifurcated plan, with Part A addressing the most important and time-sensitive projects; and

WHEREAS, PMP-Part A was submitted to DOF on August 30, 2013 and approved by DOF on May 8, 2014; and

WHEREAS, the Successor Agency prepared an original PMP-Part B ("Original PMP") pursuant to HSC Section 34191.5, that addresses the use or disposition of all of the Former Agency's real property assets not addressed in the PMP-Part A; and

WHEREAS, the Oversight Board wishes to approve the Amended PMP.

NOW THEREFORE BE IT RESOLVED, DETERMINED, AND ORDERED by the Oversight Board of the Successor Agency to the Former El Monte Redevelopment Agency, in regular session assembled December 3, 2015 as follows:

1. Recitals. The Recitals set forth above are true and correct and incorporated herein by reference.

2. Approval of the Amended Long-Range Property Management Plan-Part B. The Oversight Board approves the Amended PMP-Part B, subject to DOF approval.

3. Use of Proceeds. At such time as the Successor Agency receives proceeds from the sale of any property as identified in the Amended PMP-Part B, the Successor Agency shall comply with applicable statutes regarding the distribution of these proceeds to the Los Angeles County Auditor-Controller for dissemination to the affected taxing agencies.

4. Posting and Transmittal. The City Manager or another representative of the Successor Agency is hereby authorized and directed to post a copy of the Amended PMP-Part B on the City of El Monte's website and transmit a copy thereof to the offices of DOF.

PASSED AND ADOPTED by the Oversight Board for the Successor Agency to the former El Monte Community Redevelopment Agency at its regular meeting on this 3rd day of December, 2015.

Chair of the Oversight Board

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF EL MONTE)

I, Chair of the Oversight Board, do hereby certify that the above and foregoing Resolution No. OB-57 was passed, approved, and adopted by the Oversight Board for the Successor Agency to the former El Monte Community Redevelopment Agency, signed by the Chair and attested by the Chair at a meeting of said Oversight Board held on this 3rd day of December 2015, and that said Resolution was adopted by the following votes to wit:

AYES:	Chairman Quintero, Oversight Board Members Garcia, Olaffson, Sutkin and Solorzano
NOES:	None
ABSTAIN:	None
ABSENT:	Oversight Board Members Hernandez and Perdomo

Chair of the Oversight Board

RESOLUTION NO. 58

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY DIRECTING THE SUCCESSOR AGENCY TO TRANSFER PMP PART-B PROPERTY NO 50 TO THE CITY OF EL MONTE SUBJECT TO A DEDICATION OF PROPERTY NO 50 TO GOVERNMENT USES INCLUDING PUBLIC PARK AND RECREATIONAL USES BY THE CITY OF EL MONTE

WHEREAS, by virtue of the enactment of Health and Safety Code Section 34173(d), the City of El Monte (the "City") is the successor agency to the former El Monte Community Redevelopment Agency; and

WHEREAS, the Oversight Board for the former El Monte Community Redevelopment Agency has been established to direct the City as successor agency to take certain actions to conclude the business affairs of the dissolved former El Monte Community Redevelopment Agency in accordance with Health and Safety Code Section 34179, et seq.; and

WHEREAS, pursuant to Health and Safety Code Section 34191.5(b), successor agencies are required to send long-range property management plans to the Oversight Board and State Department of Finance no later than six months following the issuance of the finding of completion; and

WHEREAS, pursuant to Health and Safety Code Section 34191.3, the long range property management plan is designed to govern the disposition and use of the real property assets of the former redevelopment agency; and

WHEREAS, pursuant to Health and Safety Code Section 34191.5(c)(2), this long-range property management plan addresses the use or disposition of all real property assets of the former redevelopment agency; and

WHEREAS, the State Department of Finance issued a finding of completion to the City as successor agency on April 26, 2013; and

WHEREAS, pursuant to Health and Safety Code Section 34191.5(b), the Long-Range Property Management Plan - Part A was submitted and approved by the Oversight Board on August 29, 2013 and transmitted to the State Department of Finance on August 30, 2013.

WHEREAS, On October 17, 2013, the City as successor agency conducted a study session on the Long-Range Property Management Plan – Part B (properties which were not included in Part A) with the Oversight Board. The Oversight Board subsequently received and filed the Long-Range Property Management Plan Part B at the conclusion of the study session.

WHEREAS, the City as successor agency submitted the first approved form of the Long-Range Property Management Plan Part B (the "Original PMP Part B") to the State Department of Finance; and

WHEREAS, the Oversight Board has adopted its Resolution No 57, dated December 3, 3015 entitled

> "A Resolution of the Oversight Board of the Successor Agency to the Former El Monte Community Redevelopment Agency Approving the Successor Agency to the Former El Monte Community Redevelopment Agency's Amended Long-Range Property Management Plan Part B"

WHEREAS, this Resolution of the Oversight Board directs that certain provisions relating to the governmental uses of Original PMP Part B Property No. 50 (Jerry Ortiz Memorial Youth Boxing Gym) be included in the instrument of conveyance transferring Original PMP Part B Property No. 50 from the Successor Agency to the City of El Monte subject to the approval by the State Department of Finance of Original PMP Part B, as amended by Oversight Board Resolution No. 57.

NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE OVERSIGHT BOARD TO THE CITY OF EL MONTE AS SUCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY AS FOLLOWS:

SECTION 1. The purpose of this Resolution is to implement certain recommendations of staff analysts of the State Department of Finance which were presented to the staff of the City of El Monte as Successor Agency on November 30, 2015 as relate to Original PMP Part B Property No 50 (Jerry Ortiz Memorial Youth Boxing Gym). This Resolution was specially added to the agenda of the Oversight Board for consideration and approval of the Oversight Board on December 3, 2015, pursuant to Government Code Section 54954.2(b)(2).

SECTION 2. The Oversight Board has approved Original PMP Part B, as amended by Oversight Board Resolution No. 57 in the form as presented to the Oversight Board at the meeting when this Resolution was adopted, subject to the separate concurrence and approval by the State Department of Finance of Oversight Board Resolution No. 57.

SECTION 3. The Oversight Board hereby directs the City as successor agency to comply with the following instruction as relates to the transfer of PMP Part B Property No. 50 from the City as successor agency to the City of El Monte:

> The instrument of conveyance for PMP Part B Property No. 50 (Jerry Ortiz Memorial Youth Boxing Gym: 3557 Lexington Avenue, El Monte) transferring such property to the City of El Monte for governmental use shall include in the text of such conveyance instrument substantially the following language:
>
> "The property as hereby transferred by the City as successor agency, to the City of El Monte, a municipal corporation, shall be used by the City of El Monte from and after the date of recordation of the City of El Monte's acceptance of such transfer, for governmental uses only, including public park and recreational uses."

SECTION 4. This Resolution of the Oversight Board shall take effect upon the approval by the State Department of Finance of Original PMP Part B, as amended (See: Oversight Board Resolution No. 57).

SECTION 5. The City Manager or authorized representative of the City as successor agency is hereby authorized to transmit a copy of the Resolution to the State Department of Finance.

PASSED AND ADOPTED by the Oversight Board of the City as successor agency to former El Monte Community Redevelopment Agency at its regular meeting on this 3rd of December, 2015.

_____

Chair of the Oversight Board

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF EL MONTE)

I, Chair of the Oversight Board, do hereby certify that the above and foregoing Resolution No. 58 was passed, approved, and adopted by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency of the City of El Monte, signed by the Chair and attested by the Chair at a meeting of said Oversight Board held on this 3RD day of DECEMBER 2015, and that said Resolution was adopted by the following votes to wit:

AYES: Chairman Quintero, Oversight Board Members Garcia, Olaffson, Sutkin and Solorzano

NOES: None

ABSTAIN: None

ABSENT: Oversight Board Members Hernandez and Perdomo

Chair of the Oversight Board

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LONG-RANGE PROPERTY MANAGEMENT PLAN - PART B

Successor Agency to the El Monte Community Redevelopment Agency

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INTRODUCTION

Assembly Bill ("AB") 1484, enacted in June 2012, requires all successor agencies to former redevelopment agencies to prepare a Long-Range Property Management Plan ("PMP"). The PMP governs the disposition and use of property held by the former redevelopment agency pursuant to legal requirements, as detailed in the next section.

At the time of redevelopment dissolution, the former El Monte Community Redevelopment Agency ("Redevelopment Agency") was the owner of record for 53 properties in the City of El Monte. The Successor Agency will be acquiring and subsequently selling 11 parcels as part of an existing Disposition and Development Agreement related to the Santa Fe Trail Plaza, for a total of 64 Successor Agency properties. The Successor Agency to the El Monte Community Redevelopment Agency ("Successor Agency") has structured the PMP report as a bifurcated plan, with Part A addressing the most important and time-sensitive projects (Santa Fe Trail Plaza Project, Norms Restaurant Project Site, and Former Chevy Site). Forty-four (44) or 69% of the properties were identified in the PMP-Part A. The PMP-Part A was submitted to the State Department of Finance ("DOF") on August 30, 2013 and was approved by DOF on May 8, 2014. The remaining 20 properties owned by the Successor Agency will be addressed in this document as Part B of the Successor Agency's PMP. The properties in Part B specifically fall under the categories of Sale, Governmental Use, and Other Miscellaneous.

EXECUTIVE SUMMARY

The 20 properties identified in this document include leasehold interests that are proposed to be reassigned to other parties, properties subject to land use covenants, and 10 public buildings and other public facilities, such as the Los Angeles County Fire Station 166, five Downtown Valley Mall Public Parking lots, a youth boxing gym/city recreation center operated by a non-profit, an easement/right of way parcel, and land dedicated to intersection and right-of-way improvements. These aforementioned properties are proposed to be transferred to the City or other governmental agencies to continue their existing governmental use serving the community. Additionally, the Successor Agency proposes the sale of five properties related to an existing Enterprise Rent-A-Car, a remnant parcel used as overflow parking that will be sold to a church, and vacant undeveloped land held by the former redevelopment agency.

STATEMENT OF LEGAL REQUIREMENTS

Pursuant to Health and Safety Code section 34191.5 (part of AB 1484), each successor agency that holds property from a former redevelopment agency is required to submit a PMP to DOF within six months after receiving a "Finding of Completion" from DOF. Prior to the submittal of the PMP to DOF, the successor agency's oversight board must approve the PMP.

In general, the PMP addresses the disposition and use of the real properties of the former redevelopment agency. AB 1484 requires that the PMP include all of the following components:

1. Inventory of all properties in the Community Redevelopment Property Trust Fund ("Trust Fund"), established to serve as the repository of the former redevelopment agency's real properties. This inventory shall consist of all of the following information:

    a. **Date of acquisition** of the property and the value of the property at that time, and an estimate of the current value of the property.

    b. **Purpose** for which the property was acquired.

    c. **Parcel data**, including address, lot size, and current zoning in the former redevelopment agency redevelopment plan or specific, community, or general plan.

    d. **Estimate of the current value** of the parcel including, if available, any appraisal information.

    e. **Estimate of any lease, rental, or any other revenues** generated by the property, and a description of the contractual requirements for the disposition of those funds.

    f. **History of environmental contamination**, including designation as a brownfield site, and related environmental studies, and history of any remediation efforts.

    g. Description of the **property's potential for transit-oriented development and the advancement of the planning objectives** of the successor agency

    h. Brief history of **previous development proposals** and activity, including the rental or lease of property.

2. Address the use or disposition of all the properties in the Trust Fund. Permissible uses include:

    a. **Retention for governmental use** pursuant to subdivision (a) of Section 34181;

    b. **Retention for future development**;

c. **Sale** of the property; or

d. **Use of property to fulfill an enforceable obligation**.

3. Separately identify and list properties in the Trust Fund dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation. With respect to the use or disposition of all other properties, all the following shall apply:

   a. If the plan directs the use or liquidation of the property for a project identified in an approved redevelopment plan, the property shall transfer to the city, county, or city and county.

   b. If the plan directs the liquidation of the property or the use of revenues generated from the property, such as lease or parking revenues, for any purpose other than to fulfill an enforceable obligation or other than that specified in subsection 3(a) above, the proceeds from the sale shall be distributed as property tax to the taxing entities.

   c. Property shall not be transferred to a successor agency, city, county, or city and county, unless the PMP has been approved by the oversight board and DOF.

4. Due to the subsequent passing of SB 107 on September 22, 2015, and pursuant to HSC Section 34181 (a) that allows properties of a former redevelopment agency to be transferred to a public jurisdiction (in this case, the City): The successor agency is to "dispose of all assets and properties of the former redevelopment agency; provided, however, that the oversight board may instead direct the successor agency to transfer ownership of those assets that were constructed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, **parking facilities and lots dedicated solely to public parking**, and local agency administrative buildings, to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset." (bold represents addition) It is further noted that the section of the law also states that: "Parking facilities and lots dedicated solely to public parking" exclude properties that generate revenues in excess of reasonable maintenance costs of the properties.

PROPERTY INVENTORY – FORMER RDA PROPERTIES

The property number(s), indicated for each site in this report, correspond to the "No." column within the Property Inventory Data table for reference purposes (Attachment 1). The Property Inventory Data table utilizes the DOF-created database and provides a matrix of all of the information required pursuant to Health and Safety Code Section 34191.5(c) (part of AB 1484).

It is important to note the following in reviewing the PMP:

- Estimates of current value of property were determined pursuant to an existing appraisal or utilizing the methodology described in Attachment 2 to this PMP. However, it is recommended that the value of properties be examined prior to the selling of property. It should be noted that the ultimate value of the properties sold will be determined based on what the market bears.

- Data contained in the "Value at Time of Purchase" column in the Property Inventory Data table includes all available information obtained resulting from comprehensive title research and staff's best efforts to locate the information. In many cases, this information was not available and is noted accordingly.

SALE OF PROPERTY

All properties listed below are proposed to be offered for sale. A description of all properties, including the legally required information, aerial maps, and photographs of each property, are presented in this section.

Pursuant to the requirements of 34191.5(c) of the Health and Safety Code, the following characteristics apply to all properties listed under "Sale of Property":

Date of Estimated Current Value: August 2013 for properties using the Market Value Basis.

Purpose of Acquisition: To ensure development that is consistent with City's General Plan, Implementation Plan goals.

Estimate of Income Revenue: Ranges from no income revenue to rental income received by Successor Agency (11555 Medina Court & 11462 Lee Lane).

Contractual Requirements for Use of Income/Revenue: Not applicable due to no income revenue. Other properties that generate rental income are subject to lease agreements.

History of Environmental Contamination, Studies, and/or Remediation, and Designation as a Brownfield Site: None

Description of Property's Potential for Transit Oriented Development: None

The remainder of the information required by Health and Safety Code Section 34191.5(c) is provided below and in Attachment 1 for each property under the "Sale of Property" category.

ENTERPRISE RENT-A-CAR PROPERTY (PROPERTY 45)

Address:	*11555 Medina Court (AKA 3813 Peck Rd.)*
APN:	*8568-020-900*
Lot Size:	*8,707 sf*
Acquisition Date:	*12/31/2002*
Value at Time of Purchase:	*$240,000*
Property Type (DOF Category)	*Commercial*
Property Type (City Proposed)	*Properties for Sale*
Current Zoning:	*R-3, Medium Density, Multiple-Family Dwelling Zone*
Proposed Sale/Estimated Current Value:	*$298,000*
Proposed Sale Date:	*Subsequent to PMP Approval*
Advancement of Planning Objectives:	*Ensuring City's General Plan goals of:*

- *Revitalization and redevelopment of residential, commercial, and industrial areas through the sensitive integration of infill development, elimination of blight, and master planning efforts.*

The former Redevelopment Agency acquired the above referenced parcel in 2002 to assemble land that would facilitate improved street access for Montecito Avenue and Medina Court to the Peck-Ramona intersection, and ensure that residential and commercial uses consistent with the community's values and vision would be located in the area. To acquire the property, the former Redevelopment Agency borrowed the funds from the City from a portion of the proceeds of the City's Certificates of Participation ("COP") issue. No former Redevelopment Agency tax increment funds were used to acquire the property. Although the opportunity to construct a proposed street reconfiguration will be lost, the Successor Agency proposes to offer this property for sale as dictated in AB 1484. The sales proceeds will be used to defease a portion of the 2003 COP. Any excess proceeds will be distributed to the taxing entities pursuant to AB 1484.

Property 45 can be seen in the middle of this aerial photograph circled in red.

This photograph shows the building located on Property 45. This side of the building faces southwest.

PECK-RAMONA COMMERCIAL PROJECT (PROPERTIES 46-48)

Address:	*N.A., 11462 Lee Lane, 11448 Lee Lane.*
APN:	*8567-024-900, 8567-023-901, 8567-023-900*
Lot Size:	*6,980 sf, 5,630 sf, 8,663 sf (respectively)*
Acquisition Date:	*9/7/2005, 12/31/2003, 9/12/2003 (respectively)*
Value at Time of Purchase:	*$215K, $230K, $158K (respectively)*
Property Type (DOF Category)	*Vacant, Residential, Vacant (respectively)*
Property Type (City Proposed)	*Properties for Sale*
Current Zoning:	*C-3, General Commercial Zone*
Proposed Sale/Estimated Current Value:	*$256K, $259K, $227K (respectively)*
Proposed Sale Date:	*Subsequent to PMP Approval*
Advancement of Planning Objectives:	*Ensuring City's General Plan goals of:*

- *"An improved El Monte business environment that attracts new businesses, investment, new jobs, and increased revenues to El Monte."*

The former Redevelopment Agency acquired three parcels via transactions in 2003 and 2005 in order to provide expansion opportunities with an adjacent 3.4-acre site, which included a Wells Fargo Bank, Walgreens Drug Store, and other retail space totaling 32,810 square feet. The former Redevelopment Agency planned to identify potential retail development expansion opportunities along Peck Road and Ramona Blvd to add retail synergy. The Successor Agency proposes to offer all three (3) properties for sale. The sales proceeds for 11462 and 11448 Lee Lane, Property 47 and 48, which were acquired with non-housing tax increment funds from the Downtown El Monte Project Area, will be distributed to the taxing entities pursuant to AB 1484. However, since the parcel with no situs address (8567-024-900) was acquired with funds through a 2003 COP City-Redevelopment Agency loan agreement, the sales proceeds from the sale of Property 46 will be used to repay the former City-Redevelopment Agency loan to defease a portion of the 2003 COP.

This aerial view shows, from the bottom going up, Properties 46 through 48, which are circled in red.

This view of Property 46 looks east.

Property 47 is an occupied single-family residence.

This photograph shows Property 48, a vacant lot zoned for commercial use and surrounded by single-family homes.

PARKING LOT ADJACENT TO CHURCH (PROPERTY 49)

Address:	*Corner of Iris Lane and Orchard Street*
APN:	*8568-034-930*
Lot Size:	*5,337 sf*
Acquisition Date:	*03/21/1991*
Value at Time of Purchase:	*$125,000*
Property Type (DOF Category)	*Parking Lot/Structure*
Property Type (City Proposed)	*Properties for Sale*
Current Zoning:	*C-1, Limited Commercial Zone*
Proposed Sale/Estimated Current Value:	*$10,000*
Advancement of Planning Objectives:	*Ensuring City's General Plan goals of:*

- *Growth "in a sustainable way, preserving and enhancing neighborhoods while fostering revitalization and quality development in downtown and along commercial corridors."*

The above referenced parcel is a remnant piece of a property acquired by the former Redevelopment Agency in 1993 for the construction of the Orchard Street extension to Ramona Blvd. The City of El Monte loaned $125,000 in Community Development Block Grant (CDBG) funds to the Agency for the acquisition of the property, which facilitated the extension of Orchard Street to a new intersection at Ramona Boulevard. A small portion of the remnant piece of property is vacant and serves as unofficial overflow parking for the adjacent church. The former Redevelopment Agency attempted to sell this property to the neighboring property owner (Our Lady of Guadalupe Church, hereafter "Church") prior to dissolution without success.

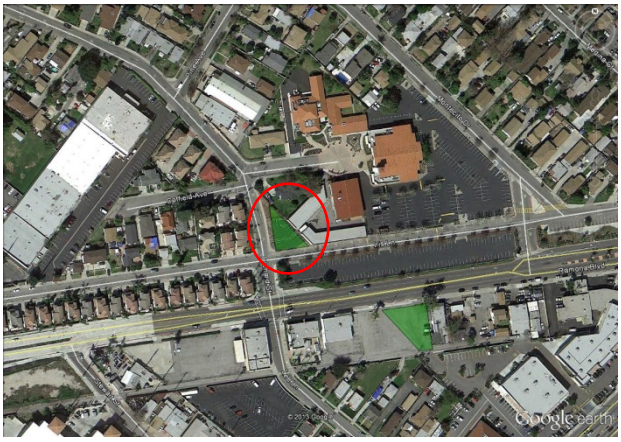
Given the property's location, small size and triangular configuration, the marketability of the parcel is severely hindered. Furthermore the developable area is minimized both due to site constraints, set back requirements, and FAR restrictions.

The property is currently maintained by the Church per the Maintenance Agreement entered into on November 9th, 2009 (Attachment 3).

Finally, since the Church provided the site improvements (parking lot and fencing), the market value is estimated to be equivalent (on a per land square foot price basis) to the assessed value of a like-kind parking lot property located on the northwest corner of Iris Lane and Medina Court ($4.31 per square foot) minus the depreciated value of the provided improvements. In a property sale, the improvements' value would have to be reimbursed to the Church since it owns the improvements. Therefore, the market value of the property was estimated to be $10,000 (rounded per the standard valuation methodology described in Attachment 2).

This initial estimate of value of $10,000 performed by RSG was done only for PMP documentation purposes. Before any transaction price is agreed to, the Successor

Agency will identify the current market value and negotiate an appropriate purchase price based thereon. The Successor Agency will use proceeds to pay enforceable obligations.



Property 49 is located in the center of this aerial photograph (circled in red), directly southwest of, and adjacent to, the church.

Looking north, this photograph shows Property 49. Our Lady of Guadalupe Church is located behind this property.

RETENTION OF PROPERTIES FOR GOVERNMENTAL USE – SECTION 1

All properties listed below are proposed to be transferred to the City of El Monte pursuant to Health and Safety Code Section 34181 (a) that allows properties of a former redevelopment agency to be transferred to a public jurisdiction (in this case, the City of El Monte). A description of all properties, including the legally required information, aerial maps, and photographs of each property, are presented in this section.

Pursuant to the requirements of 34191.5(c) of the Health and Safety Code, the following characteristics apply to all properties listed under "Retention of Properties for Governmental Use":

- ***Date of Estimated Current Value:*** August 2013 (Most recent information available)

- ***Purpose of Acquisition:*** To provide for needed public parking, public buildings, intersection/ROW improvements, and community facilities in the City of El Monte. Remnant parcels resulting from public improvement projects were also acquired and maintained by the former Redevelopment Agency as these properties have little to no value due to their small size, irregular shape and unusual location.

- ***Estimate of Revenue:*** No revenue.

- ***Contractual Requirements for Use of Income/Revenue***: Not applicable due to no income revenue.

- ***History of Environmental Contamination, Studies, and/or Remediation, and Designation as a Brownfield Site:*** Phase I and/or Phase II Environmental Assessments have been completed for most of the properties in this section of the report. However, most of the properties are or have been parking lots, which are part of the public right-of-way, and are not likely to pose any environmental threat.

- ***Description of Property's Potential for Transit Oriented Development***: None/not applicable.

- ***History of Previous Development Proposals:*** None/not applicable

The remainder of the information required by Health and Safety Code Section 34191.5(c) is provided below and in Attachment 1.

VACANT LAND/LOT ADJACENT EL MONTE CITY TROLLEY STATION (PROPERTY 51)

Address:	*3637 Tyler Avenue*
APN:	*8575-019-909*
Lot Size:	*8,494 sf*
Acquisition Date:	*5/18/2010*
Value at Time of Purchase:	*$212,350*
Property Type (DOF Category)	*Vacant*
Property Type (City Proposed)	*Transfer to City as Governmental Use*
Current Zoning:	*C-3, General Commercial*
Proposed Sale/Estimated Current Value:	*$312,000*
Proposed Sale Date:	*Subsequent to PMP Approval*
Advancement of Planning Objectives:	*Ensuring City's General Plan goals of:*

- *"El Monte will be a city where people can easily and safely access community facilities and services by convenient transportation choices that efficiently connect El Monte to the region"*

The former Redevelopment Agency acquired the parcel referenced above in 2010 with 2007 Tax Allocation Bonds to construct necessary intersection improvements and use the remainder parcel to accommodate transit-related uses or other uses compatible with the El Monte City Trolley Station. The purpose of the acquisition was also to ensure that land uses are consistent with the community's values and vision and that transportation needs of the community are met. Pursuant to AB 1484, the Successor Agency proposes to transfer the property to the City to be used for a right-turning lane and parking to serve both the adjacent El Monte City Trolley Station and the adjacent Metrolink Rail Station. These improvements will encourage the use of public transportation and increase the safety of the intersection, which is currently often congested due to the lack of a dedicated right-turning lane.

This photograph shows Property 51, located immediately southeast of the city's trolley station

This street view looks west across Property 51.

JERRY ORTIZ NON-PROFIT YOUTH BOXING GYM/RECREATIONAL FACILITY & ANCILLARY PARKING LOTS (PROPERTIES 50, 52, 53)

Address:	*3557 Lexington Avenue, 3564 & 3562 Granada Avenue*
APN:	*8579-027-905, 903, 904*
Lot Size:	*7,319 sf, 7,023 sf, 6,944 sf*
Acquisition Date:	*1988 (for all three)*
Value at Time of Purchase:	*$137,000, $81,000, $80,000 (respectively)*
Property Type (DOF Category)	*Public Building, Parking Lot/Structure*
Property Type (City Proposed)	*Transfer to City for Governmental Use*
Current Zoning:	*C-2D, Retail Commercial with Design Overlay; P-Parking*
Proposed Sale/Estimated Current Value:	*$0, $0, $0*
Advancement of Planning Objectives:	*Ensuring City's General Plan goals of:*

- *"El Monte will have a balance of safe and stable neighborhoods, quality parks and recreational facilities, thriving business and job opportunities, shopping and entertainment, and excellent schools."*

- *"El Monte will be a friendly and welcoming city that provides a safe environment; values family, diversity, community; and cherishes, preserves, and builds on our rich history and culture."*

The former Redevelopment Agency acquired the property at 3557 Lexington in 1988 for use as a community facility and has continuously used it as a community facility since that time (Attachment No. 4). The intention of the Agency was to transfer the property to the City, but unfortunately that did not occur, due to administrative oversight. Prior uses of the building include the American Red Cross and space for community meetings. Currently, the property is utilized as a community youth boxing gym, operated by a non-profit organization. Although the Redevelopment Agency is on title, the City provided CDBG funds, as well as other City special fund sources including Urban Development Action Grant, Quimby, and Police Asset Forfeiture funds to construct various public improvements on the property, and to acquire and improve ancillary parking lots behind the building. No former Redevelopment Agency funds were expended to acquire or construct improvements.

The two parking lots on Granada Avenue identified above are located in the rear of the property; 3562 Granada Avenue was acquired along with the adjacent building. Since the public parking lots are exclusively zoned for a public use and the building at 3557 Lexington Avenue is owned and operated by the City for community recreation purposes, the Successor Agency believes that the parking lots are a governmental use and yield zero market value. This same value is reflected in the current assessed value, as determined by the Los Angeles County Assessor.

Furthermore, the public parking lot properties at 3562 and 3564 Granada Ave (Property Nos. 52 and 53) are located within the boundaries of the existing Valley Mall Parking and Business Improvement Area (BIA).

Due to the subsequent passing of SB 107 on September 22, 2015, and pursuant to HSC Section 34181 (a) that allows properties of a former redevelopment agency to be transferred to a public jurisdiction (in this case, the City): That section of the Law states, the successor agency is to "dispose of all assets and properties of the former redevelopment agency; provided, however, that the oversight board may instead direct the successor agency to transfer ownership of those assets that were constructed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, **parking facilities and lots dedicated solely to public parking**, and local agency administrative buildings, to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset." (bold represents addition) It is further noted that the section of the law also states that: "Parking facilities and lots dedicated solely to public parking" do not include properties that generate revenues in excess of reasonable maintenance costs of the properties.

In the documents to transfer these properties to the City, the Successor Agency will include language similar to the following: "The City and Successor Agency jointly restrict and dedicate the property for recreational community purposes currently and in perpetuity." This language will also be memorialized in a resolution of the Oversight Board to the Successor Agency.

This aerial view shows Properties 50, 52, and 53 toward the bottom of the frame.

This photograph shows the front of Property 50, the recreational facility. (Source: Google Earth)

This photograph shows Property 53.

This photograph shows Property 52.

DOWNTOWN VALLEY MALL PARKING LOTS (PROPERTIES 54, 55, 56)

Address:	*N.A., N.A, 3614 El Monte Avenue*
APN:	*8579-027-901,902, and 8575-020-906*
Lot Size:	*5,926 sf, 5,739 sf 15,285 sf*
Acquisition Date:	*1987 (Parcel -901 and -902), 4/1/1988*
Value at Time of Purchase:	*$535,480 (all together)*
Property Type (DOF Category)	*Parking Lot/Structure*
Property Type (City Proposed)	*Transfer to City for Governmental Use*
Current Zoning:	*P-Parking*
Proposed Sale/Estimated Current Value:	*$0, $0, $0*
Advancement of Planning Objectives:	*Ensuring City's General Plan goals of:*

- *"Buildings must be designed in a manner to fulfill functional needs, whether of housing, business, or industry, including size of units, parking needs, and other accommodations."*

- *"A vibrant Downtown that is an attractive, accessible and pedestrian friendly center noted for its wide range of quality shopping, entertainment, and cultural and recreational amenities."*

Due to the subsequent passing of SB 107 on September 22, 2015, and pursuant to HSC Section 34181 (a) that allows properties of a former redevelopment agency to be transferred to a public jurisdiction (in this case, the City): That section of the Law states, the successor agency is to "dispose of all assets and properties of the former redevelopment agency; provided, however, that the oversight board may instead direct the successor agency to transfer ownership of those assets that were constructed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, parking facilities and lots dedicated solely to public parking, and local agency administrative buildings, to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset." (bold represents addition) It is further noted that the section of the law also states that: "Parking facilities and lots dedicated solely to public parking" do not include properties that generate revenues in excess of reasonable maintenance costs of the properties.

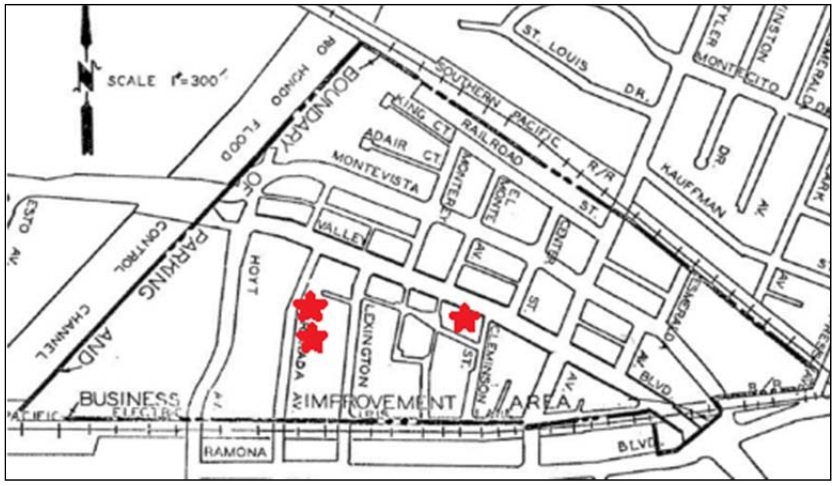
The Successor Agency proposes to transfer the above referenced properties to the City for governmental use. The City used $425,000 in CDBG funds to purchase these properties. The current value estimates are based on the value of the property at the current land use and Zoning; which in all cases yields a $0 market value because the property in question has long been part of an operating public parking lot and designated for such under the current Zoning Ordinance.

Furthermore, the parking lots identified above as Property Nos. 54, 55, and 56 fall within the existing Valley Mall Parking and Business Improvement Area (BIA) (see Attachment 5). All three lots are integral to maintaining and supporting the BIA's intent to improve

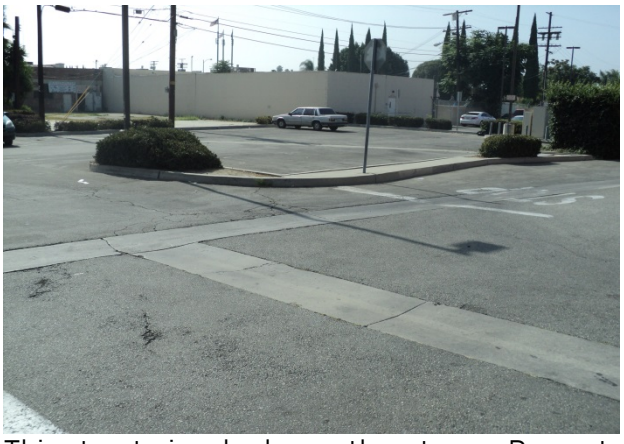
the economic value of the Valley Mall area. The uses and purpose of the additional revenue generated from said area pursuant to and as a result of the BIA are any of the following:

1. The acquisition, construction or maintenance of parking facilities for the benefit of the area;
2. Decoration of any public place in the area;
3. Promotion of public events which are to take place on or in public places in the area;
4. Furnishing of music in any public place in the area;
5. The general promotion of retail trade activities in the area.

Through the BIA, the local businesses, depending on their use, in part are levied an additional business license tax in order to maintain the parking facilities to the benefit of the area. The makeup of the BIA is inclusive of over 40 retail stores, as well as two banks and various other professional offices. A map of the Valley Mall Parking and Business Improvement Area (red stars indicate lot locations within the BIA) is below:



This aerial view shows Properties 54 and 55 (circled in red) toward the top with Properties 50, 52, and 53 seen lower in the frame.



This street view looks southeast over Property 55, behind and to the right of which lies Property 54.

This street view looks east over Property 54. Property 55 is located at the left edge of this frame.

This aerial photograph shows Property 56 near the center circled in red.

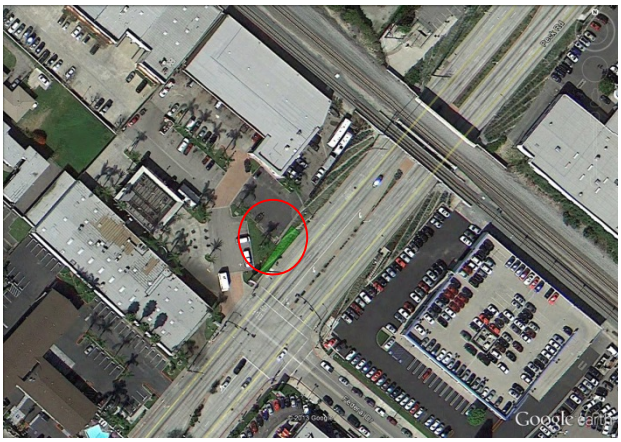
This street view looks east at Property 56.

VACANT RIGHT-OF-WAY/EASEMENT PARCEL (PROPERTY 57)

Address:	*Peck Road & Federal Drive*
APN:	*8567-019-909*
Lot Size:	*762 sf*
Acquisition Date:	*10/6/1988*
Value at Time of Purchase:	*$5,700*
Property Type (DOF Category)	*Landscaped slope area adjacent to Peck Rd. ` underpass*
Property Type (City Proposed)	*Transfer to City for Governmental Use*
Current Zoning:	*C-2D, Retail Commercial with Design Overlay*
Proposed Sale/Estimated Current Value:	*$7,266*
Advancement of Planning Objectives:	*Ensuring City's General Plan goals of:*

- *Growth "in a sustainable way, preserving and enhancing neighborhoods while fostering revitalization and quality development in downtown and along commercial corridors."*

The subject parcel is a remnant of a larger land assembly and was acquired by the former Redevelopment Agency in 1988 in conjunction with the Peck Road underpass, adjacent tire store, and car wash development (see Attachment No. 6). Given the extremely small dimensions of the property, and surrounding uses, the slope is not developable and therefore, the Successor Agency believes the property has no or at best de minimis market value. The market value estimate used is the property's current assessed value. The Successor Agency proposes to transfer this property to the City as a governmental use.



This aerial photograph contains Property 57, which is visible near the center and circled in red.

This photograph shows the sliver parcel (Property 57) and looks northeast along Peck Road.

FIRE STATION NO. 166 (PROPERTIES 58, 59)

Address:	*3615 Santa Anita Avenue*
APN:	*8578-017-912 &914*
Lot Size:	*26,830 sf, 32,060 sf*
Acquisition Date:	*12/22/2010, 7/1/2007*
Value at Time of Purchase:	*Unknown*
Property Type (DOF Category)	*Police/Fire Station*
Property Type (City Proposed)	*Transfer to City for Governmental Use*
Current Zoning:	*SP-1 (Gateway Sp Plan)*
Proposed Sale/Estimated Current Value:	*$0*
Advancement of Planning Objectives:	*Ensuring City's General Plan goals of:*

- *"El Monte offers quality community services, police and fire service, libraries, parks, and recreation."*
- *"El Monte invests in infrastructure so that adequate water, transportation, and other community services are maintained for future generations."*

Title of the Fire Station parcels identified above was transferred to the former Redevelopment Agency for public financing purposes in 2007. However, no former Redevelopment Agency funds were expended for the conveyance of the parcels. The parcels on 3615 Santa Anita Avenue are currently occupied by a Los Angeles County Fire Department Station under a Fire Service Agreement between the Los Angeles County Consolidated Fire Protection District and the City (see Attachment No. 7). Furthermore, the cost required to acquire a replacement site, demolish the existing fire station, and build a replacement station, as described in the El Monte Gateway Specific Plan, would likely outweigh the revenue generated from the sale of the property and effectively yield a zero market value. The Successor Agency proposes to transfer these properties back to the City as a governmental use pursuant to AB 1484.

This photograph looks west at Los Angeles County Fire Station 166.

This aerial view shows Properties 58 and 59 in the left half of the photograph.

RETENTION OF PROPERTIES FOR GOVERNMENTAL USE – SECTION 2

All properties listed below are proposed to be transferred to the City of El Monte pursuant to Health and Safety Code Section 34181 (a) that allows properties of a former redevelopment agency to be transferred to a public jurisdiction (in this case, the City of El Monte). A description of all properties, including the legally required information, aerial maps, and photographs of each property, are presented in this section.

Pursuant to the requirements of 34191.5(c) of the Health and Safety Code, the following characteristics apply to all properties in this section:

- ***Date of Agency Leasehold Interest:*** See detail for separate properties.
- ***Purpose of Acquisition:*** Ground Lease, Billboard Leases, and Land Use Covenants
- ***Estimate of Income Revenue:*** See detail for separate properties.
- ***Contractual Requirements for Use of Income/Revenue***: See detail for separate properties.
- ***History of Environmental Contamination, Studies, and/or Remediation, and Designation as a Brownfield Site:*** None/not applicable.
- ***Description of Property's Potential for Transit Oriented Development***: None/not applicable.

The remainder of the information required by Health and Safety Code Section 34191.5(c) is provided below and in Attachment 1.

FLETCHER PARK BILLBOARD SITE (BILLBOARD LEASE) (PROPERTY 60)

Address:	*3404 Fletcher Park Way*
APN:	*8578-020-903*
Lot Size:	*127,630 sf*
Lease Area:	*Limited to location of signs, not entire park area*
Date of Lease Agreement:	*11/6/2001*
Property Type (DOF Category)	*Freeway Signage*
Property Type (City Proposed)	*Transfer to City for Governmental Use*
Current Zoning:	*SP-1, El Monte Gateway Specific Plan*
Est. Leasehold Interest:	*$0*
Advancement of Planning Objectives:	*Not applicable*

The former Redevelopment Agency and the City of El Monte entered into a 20-year ground lease with Regency Outdoor Advertising on two billboard sites located on opposite ends of the subject property (Attachment No. 8). No tax increment or redevelopment bond proceeds were expended to obtain Property No. 60, which is a ground lease interest. The ground lease enables use of only the footprint and airspace occupied by the billboards, not the entire park area. The lease was entered into on 11/6/2001 and required Regency Outdoor Advertising to provide a $400,000 non-refundable lease pre-payment upfront. Given the requirements established in ABx 1 26 and AB 1484, the Successor Agency is proposing to transfer any lease rights on the property to the City, and any future revenue received from the property. However, it is uncertain if permits for such freeway-visible billboards will be maintained or terminated by Cal-Trans, which would lead to removal of the billboards, thereby eliminating any future lease revenues.

This photograph contains Property 60, with the two subject freeway billboard signs depicted in the center.

FEDERAL EXPRESS & CHANNEL PARCEL BILLBOARD SITES (GROUND LEASE) (PROPERTIES 61, 62)

Address:	*9851 Flair Drive, N.A. (respectively)*
APN:	*8581-034-001, 8578-020-001 (respectively)*
Lot Size:	*13,779 sf, 94,960 sf*
Lease Area:	*Limited to location of billboard sign, not entire property*
Date of Lease Agreement:	*12/1/1996*
Property Type (DOF Category)	*Freeway Signage*
Property Type (City Proposed)	*Transfer to City for Governmental Use*
Current Zoning:	*OP, Office Professional, SP-1, El Monte Gateway Specific Plan*
Est. Leasehold Interest:	*$16,000 per year or 15% of gross billboard income, per sign location, all of which is used for maintenance and trash collection along the freeway right-of-way*
Advancement of Planning Objectives:	*Not applicable*

The former Redevelopment Agency entered into a ground lease agreement (Attachment No. 9) with a private owner of the properties identified above on 12/1/1996. No redevelopment tax increment or bond proceeds were used to acquire or improve Property Nos. 61 and 62. As a condition of the lease agreement, the former Redevelopment Agency agreed to pay $1,200 per year for 21 years with two 10-year term extension options.

Both properties currently contain a freeway billboard, which the former Redevelopment Agency subleases to American Outdoor Advertising Co., which then subleases to Regency Outdoor Advertising Co. (“subtenants”). The sublease term expires on 1/20/2017 with two 10-year options to extend. The conditions of the sublease state that the subtenant must construct one freeway billboard sign and pay the former Redevelopment Agency $16,000 quarterly for each panel or 15% of gross billboard income for each property. Revenues received are used for maintenance and trash collection along the freeway right-of-way. Thus, there is no net revenue available for enforceable obligations. Given the requirements established in ABx 1 26 and AB 1484, the Successor Agency is proposing to transfer any leasehold interest from the property to the City.

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This photograph depicts the freeway sign on Property 61 (Federal Express Parcel)

This photograph depicts one of the two freeway signs on Property 62 (Channel Parcel).

GUNDERSON AUTOMOTIVE RETAIL USE COVENANT- HYUNDAI SITE (PROPERTY 63)

Address:	*3342 Santa Anita Avenue*
APN:	*8579-005-025, 8579-005-003, 8579-005-024, 8579-005-028, 8579-005-027*
Lot Size:	*82,490 sf*
Date of Agreement:	*March 1, 2007 (Restated Owner Participation Agreement)*
Property Type (DOF Category):	*Land Use Covenant*
Property Type (City Proposed)	*Transfer to City for Governmental Use*
Current Zoning:	*C-3, General Commercial*
Estimated Current Value:	*Value of covenant is unknown at this time*
Advancement of Planning Objectives:	*Ensuring City's General Plan goals of:*

- *Establish the City of El Monte as "the premier vehicle sales and service destination in southern California, providing a year-round auto show environment and wide range of automobile, truck, and recreational vehicle choices—all within an environment that is modern, attractive, equipped with customer amenities and attractions, well maintained, and convenient."*

The former Redevelopment Agency established a new car retail sales use restriction and minimum assessed valuation requirement pursuant to a Restated Owner Participation Agreement ("OPA Agreement") (Attachment No. 10) entered into between the former Redevelopment Agency, GSL Development LLC (owner of Property No. 63), and the Gunderson Automotive Group. The OPA Agreement, with its covenants and restrictions in favor of the former Redevelopment Agency, is identified in the Notice of Redevelopment Agreement recorded on March 26, 2007.

The general purpose of the use restriction is to reserve the use and occupancy of the site, Property No. 63, solely for automobile dealership businesses. However, Property No. 63 (located at 3342 Santa Anita Avenue), which is subject to the covenants and restrictions, is currently vacant and not used for new car sales and services. Therefore, pursuant to ABx 1 26 and AB 1484, the Successor Agency is proposing to transfer the covenant to the City of El Monte upon approval of this action by the DOF. It should be noted that the property is <u>not owned by the former Redevelopment Agency and no monetary value is gained, at this time, from the transfer of the covenant to the City of El Monte.</u>

This photograph depicts the parcels located on Property 63, which fall within the red boundary.

GUNDERSON AUTOMOTIVE RETAIL USE COVENANT- PONTIAC GMC SITE (PROPERTY 64)

Address:	*11705 Valley Boulevard*
APN:	*8565-011-028*
Lot Size:	*154,202 sf*
Date of Agreement:	*August 6, 2002 (Redevelopment New Jobs Grant Agreement)*
Property Type (DOF Category):	*Land Use Covenant*
Property Type (City Proposed)	*Transfer to City for Governmental Use*
Current Zoning:	*C-3, General Commercial*
Estimated Current Value:	*Value of covenant is unknown at this time*
Advancement of Planning Objectives:	*Ensuring City's General Plan goals of:*

- *Establish the City of El Monte as "the premier vehicle sales and service destination in southern California, providing a year-round auto show environment and wide range of automobile, truck, and recreational vehicle choices—all within an environment that is modern, attractive, equipped with customer amenities and attractions, well maintained, and convenient."*

The former Redevelopment Agency established a new car retail sales use restriction and covenant to create new jobs pursuant to a Redevelopment New Jobs Grant Agreement ("Agreement") (Attachment No. 11) entered into between the former Redevelopment Agency, GSL Development LLC (owner of Property No. 64), and the Gunderson Automotive Group dated August 6, 2002. The property which is subject to the use restriction, Property No. 64, is located at 11705 Valley Boulevard in the Downtown El Monte Redevelopment Project Area. The covenants and restrictions, in favor of the former Redevelopment Agency, are identified in the Notice of Redevelopment New Jobs Grant Agreement recorded on August 27, 2002.

The general purpose of the use restriction is to reserve the use and occupancy of the site, Property No. 64, solely for automobile dealership businesses. However, Property No. 64 is not currently used for its original purpose, the sales and service of new cars, and there is no evidence to support that new jobs have been created in accordance with the Agreement. Pursuant to ABx 1 26 and AB 1484, the Successor Agency is proposing to transfer the covenant to the City of El Monte upon approval of this action by the DOF. It should be noted that the property is <u>not owned by the former Redevelopment Agency and no monetary value is gained, at this time, from the transfer of the covenant to the City of El Monte.</u>

This photograph depicts the parcel located on Property 64, which falls within the red boundary.

ATTACHMENTS

1 - Property Inventory Data (DOF Form)

2 - Valuation Methodology

3 – Guadalupe Church Maintenance Agreement

4 - Property Acquisition Funding/Purchase Agreement (3557 Lexington)

5 – Valley Mall Parking and Business Improvement Area Documents

6 - Property Acquisition Documentation (Vacant Right-of-Way/Easement Parcel)

7 - Fire Service Agreement (Fire Station No. 166)

8 - Fletcher Park Billboard Site Lease Agreement

9 - Federal Express & Channel Parcel Ground Lease Agreements

10 - Restated Owner Participation Agreement & Gunderson Restated OPA Staff Report – Hyundai Site

11 - Redevelopment New Jobs Grant Agreement - Pontiac GMC Site

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8 - Fletcher Park Billboard Site Lease Agreement

9 - Federal Express & Channel Parcel Ground Lease Agreements

10 - Restated Owner Participation Agreement & Gunderson Restated OPA Staff Report – Hyundai Site

11 - Redevelopment New Jobs Grant Agreement - Pontiac GMC Site

ATTACHMENT 1 – PROPERTY INVENTORY DATA (DOF FORM)

Successor Agency: El Monte Successor Agency
County: Los Angeles County

LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY INVENTORY DATA

		HSC 34191.5 (c)(2)		HSC 34191.5 (c)(1)(A)					SALE OF PROPERTY		HSC 34191.5 (c)(1)(B)	HSC 34191.5 (c)(1)(C)				HSC 34191.5 (c)(1)(D)	HSC 34191.5 (c)(1)(E)		HSC 34191.5 (c)(1)(F)	HSC 34191.5 (c)(1)(G)		HSC 34191.5 (c)(1)(H)	
No.	**Property Type**	**Permissible Use**	**Permissible Use Detail**	**Acquisition /Agreement Date**	**Value at Time of Purchase**	**Estimated Current Value**	**Value Basis**	**Date of Estimated Current Value**	**Proposed Sale Value**	**Proposed Sale Date**	**Purpose for which property was acquired**	**Address**	**APN #**	**Lot Size (SF)**	**Current Zoning**	**Estimate of Current Parcel Value**	**Estimate of Income/Revenue**	**Contractual requirements for use of income/revenue**	**History of environmental contamination, studies, and/or remediation, and designation as a brownfield site**	**Description of property's potential for transit oriented development**	**Advancement of planning objectives of the successor agency**	**History of previous development proposals and activity**	**Project / Current Use Detail**
45	Commercial	Sale of Property	Sale of property, possibly to Enterprise Rent-A-Car	12/31/2002	$240,000	$298,000	Market	August 2013	$298,000	Subsequent to LRPMP approval	Facilitate improved street access for Montecito Avenue and Medina Court to the Peck-Ramona intersection	11555 Medina Court (AKA 3813 Peck)	8568-020-900	8,707	R-3, Medium Density, Multiple-Family Dwelling Zone	$298,000	$2,022.07/month	Yes	No	None	Yes	No	Enterprise Rent-A-Car
46	Vacant Lot/Land	Sale of Property	Sale of property	9/7/2005	$215,000	$256,000	Market	August 2013	$256,000	Subsequent to LRPMP approval	Provide expansion opportunities for economic development purposes	Off of Ramona Blvd. between Orchard St. and Montecito	8567-024-900	6,980	C-3, General Commercial Zone	$256,000	0	No	No	None	Yes	No	Peck-Ramona Commercial Project (M&A Gabaee LP)
47	Residential	Sale of Property	Sale of property to nearby business owner	12/31/2003	$230,000	$259,000	Market	August 2013	$259,000	Subsequent to LRPMP approval	Land assembly for Peck-Ramona commercial development	11462 Lee Lane	8567-023-901	5,630	C-3, General Commercial Zone	$259,000	$650/month	Yes	No	None	Yes	No	Peck-Ramona Commercial Project (M&A Gabaee LP)
48	Vacant Lot/Land	Sale of Property	Sale of property	9/12/2003	$158,000	$227,000	Market	August 2013	$227,000	Subsequent to LRPMP approval	Land assembly for Peck-Ramona commercial development	11448 Lee Lane	8567-023-900	8,663	C-3, General Commercial Zone	$227,000	0	No	No	None	Yes	No	Peck-Ramona Commercial Project (M&A Gabaee LP)
49	Parking Lot/Structure	Sale of Property	Remnant parcel next to Archdiocese	3/21/1991	$125,000	$10,000	Market	August 2013	$10,000	Subsequent to LRPMP approval	Construction of the Orchard Street extension to Ramona Blvd.	Iris Lane & Orchard Street	8568-034-930	5,337	C-1, Limited Commercial Zone	$10,000	0	No	No	None	Yes	No	Parking Lot (Convey to Archdiocese)
50	Public Building	Governmental Use	Non-Profit Youth Boxing Gym/Community Recereation Center (Public Use)	1988	$137,000	$0	Market	August 2013	n.a.	n.a.	Community Redevelopment Purposes (CRA assisted with relocation of So Cal Gas from property)	3557 Lexington	8579-027-905	7,319	C-2D, Retail Commercial with Design Overlay	$0	0	No	No	None	Yes	No	Transfer to City under Gov Use statute
51	Vacant Lot/Land	Governmental Use	Parking for El Monte City Trolley Station	5/18/2010	$212,350	$312,000	Market	August 2013	n.a.	n.a.	intersection improvements & for expansion of City Trolley Station	3637 Tyler Ave	8575-019-909	8,494	C-3, General Commercial Zone	$312,000	0	No	Yes, Phase I Environmental Assessment	See Detail in LRPMP Document	Yes	No	Gov Use
52	Parking Lot/Structure	Governmental Use	Street ROW/ Parking for Community Recreation Center	1988	$81,000	$0	Market	August 2013	n.a.	n.a.	Street ROW/Public Parking Use	3562 Granada Ave	8579-027-904	7,023	P, Automobile Parking	$0	0	No	No	None	Yes	No	Gov Use (Surround. By Commercial)
53	Parking Lot/Structure	Governmental Use	Street ROW/ Parking for Youth Boxing Gym / Community Recreation Center	1988	$80,000	$0	Market	August 2013	n.a.	n.a.	Street ROW/Public Parking Use	3564 Granada Ave	8579-027-903	6,944	P, Automobile Parking	$0	0	No	No	None	Yes	No	Gov Use (Surround. By Commercial)
54	Parking Lot/Structure	Governmental Use	Street ROW/ Parking	1987	$110,000	$0	Market	August 2013	n.a.	n.a.	Street ROW/Public Parking Use	Granada Avenue	8579-027-902	5,926	P, Automobile Parking	$0	0	No	No	None	Yes	No	Gov Use (Surround. By Commercial)
55	Parking Lot/Structure	Governmental Use	Street ROW/ Parking	1987		$0	Market	August 2013	n.a.	n.a.	Street ROW/Public Parking Use	Granada Avenue	8579-027-901	5,739	P, Automobile Parking	$0	0	No	No	None	Yes	No	Gov Use (Surround. By Commercial)
56	Parking Lot/Structure	Governmental Use	Downtown Valley Mall Shopping Center Parking	1987	$425,480	$0	Market	August 2013	n.a.	n.a.	Public Parking Use	3614 El Monte Ave	8575-020-906	15,285	P, Automobile Parking	$0	0	No	No	None	Yes	No	Gov Use (Surround. By Commercial)
57	Roadway/Walkway	Governmental Use	Easement/ Right of Way Parcel	10/6/1988	$5,700	$7,266	Market	August 2013	n.a.	n.a.	Public Use	Peck Rd. & Federal Drive	8567-019-909	762	C-2D, Retail Commercial with Design Overlay	$7,266	0	No	No	None	Yes	No	Gov Use (Easement/sliver parcel)
58	Police/Fire Station	Governmental Use	Fire Department Station 166	7/1/2007	$0	$0	Market	August 2013	n.a.	n.a.	Use by Los Angeles County Fire Department	3615 Santa Anita	8578-017-914	32,060	SP-1, El Monte Gateway Specific Plan	$0	0	No	No	None	Yes	No	Gov Use (Fire Dept (Station 166)
59	Police/Fire Station	Governmental Use	Fire Department Station 166	12/22/2010	$0	$0	Market	August 2013	n.a.	n.a.	Use by Los Angeles County Fire Department	3615 Santa Anita	8578-017-912	26,830	SP-1, El Monte Gateway Specific Plan	$0	0	No	No	None	Yes	No	Gov Use (Fire Dept (Station 166)
60	Signage	Governmental Use	Community Redevelopment Sign Lease	11/6/2001	$0	$0	Market	August 2013	n.a.	n.a.	Parcel used for Freeway Signage	3404 Fletcher Park Way	8578-020-903	127,630	SP-1, El Monte Gateway Specific Plan	$0	0	No	No	None	Yes	No	Fletcher Park Billboard
61	Signage	Governmental Use	Agency sublets parcel to billboard advertising company (Leasehold Interest)	12/1/1996	$0	$0	Market	August 2013	n.a.	n.a.	Parcel used for Freeway Signage	9851 Flair Drive	8581-034-001	13,779	OP, Office Professional	$0	$16,000 per year or 15% of gross billboard income	Yes	No	None	Yes	No	Federal Express Parcel
62	Signage	Governmental Use	Agency sublets parcel to billboard advertising company (Leasehold Interest)	12/1/1996	$0	$0	Market	August 2013	n.a.	n.a.	Parcel used for Freeway Signage	n.a.	8578-020-001	94,960	SP-1, El Monte Gateway Specific Plan	$0	$16,000 per year or 15% of gross billboard income	Yes	No	None	Yes	No	Channel Parcel
63	Other	Governmental Use	Land Use Covenant	3/1/2007	$0	$0	Market	August 2013	n.a.	n.a.	Automotive retail land use covenant	3342 Santa Anita Avenue	Multiple, See Detail in PMP-Part B	82,490	C-3, General Commercial Zone	$0	0	No	No	None	Yes	No	Hyundai Site
64	Other	Governmental Use	Land Use Covenant	8/6/2002	$0	$0	Market	August 2013	n.a.	n.a.	Automotive retail land use covenant	11705 Valley Blvd	8565-011-028	154,202	C-3, General Commercial Zone	$0	0	No	No	None	Yes	No	Pontiac GMC Site

ATTACHMENT 2 – VALUATION METHODOLOGY

Background

Health and Safety Code Section 34191.5 (c) (1) (D) requires that the Long Range Property Management Plan ("PMP") contain an estimate of current value for each property. In the absence of appraisal information, the Successor Agency to the City of El Monte Redevelopment Agency ("Successor Agency") has employed the following methodology to estimate the current value of properties included in its PMP.

Data Sources Employed

The following data sources were researched and analyzed for recent comparable sales of similarly zoned land or similarly used buildings:

- Costar Realty Information, as researched in August 2013;
- 2012-13 Los Angeles County Assessment Roll (via MetroScan)
- Marshall and Swift (real estate development costs data)

Methodology

For purposes of the PMP, comparable sales by specific land use type and lot size/building size (as well as details such as number of bedrooms, class of retail use, etc.) were run for each property of the former Redevelopment Agency by current zoning. An average price per square foot was calculated for each property type based on sales that occurred from January 2011 to the date of the analysis. These averages were applied to the properties in the PMP, with some adjustments for reasons explained below, to estimate the value of these properties. All values were rounded to the nearest $1,000 to reflect that they are estimates.

Due to the size, location, and configuration of parcels, it is often difficult to assess property values and identify comparable properties in the area. Furthermore, since some of the former Redevelopment Agency-owned properties were vacant, sales volumes were very limited. In order to account for limited vacant land sales, the search radius for comparable sales was expanded outside the City boundaries. The limitations of this methodology aside, it should be noted that the value estimates themselves (or even appraisal values) are not necessarily representative of what the properties could be worth when put on the open market for sale by the Successor Agency.

Part B of the Successor Agency's PMP covers the remaining twenty-one properties owned by the Successor Agency that were excluded in the PMP-Part A. In the case of five properties (Properties 60-65), the Successor Agency owns either a lease interest in a billboard located on the property or a restrictive covenant on the property. Therefore, values were not estimated for these five properties.

Certain properties (49 and 51-59) were valued at $0 for a variety of reasons. Properties 49 and 57 are too small to be practically adapted for commercial use. Properties 51-56 are reserved for parking for governmental use and/or are necessary to maintain

sufficient rights of way along El Monte's streets. Properties 58 and 59 are currently used for a fire station, and redevelopment of these two properties can occur only after a new location and fire station are approved and fully operational, per the El Monte Gateway Specific Plan, as recorded in the El Monte Code of Ordinances 17.80.010 (C) (10).

The remaining four properties (45-48) were divided into general property or land use categories according to the primary use associated with each property. These categories include residential use, office use, vacant land zoned for commercial use, and vacant land zoned for residential use.

Property 45 was valued at the office use rate. Property 46 was valued at the vacant land zoned for commercial use rate. Property 47 was valued at the residential rate. Property 48 was valued at the vacant land zoned for residential use rate.

The sources of comparable sales mentioned above showed sale prices for recent properties fitting into each of these four categories. An average price per square foot was calculated for each use category based on sales since January 1, 2011. These averages, seen in Table A2 – 1 below, were applied to the properties in the PMP, with some adjustments, to estimate the value of these properties.

Table A2 - 1

Property Type	Value
Residential Use	$262 per square foot
Office Use	$266 per square foot
Vacant Land, Commercial	$37 per square foot
Vacant Land, Residential	$26 per square foot

Results

The sources and methodology described above led to the estimates of current value provided in the PMP report and the Property Inventory Data Worksheet. In the absence of any appraisal information for these specific properties, Successor Agency staff believes that these estimates are reasonable and fulfill the requirements as established by Health and Safety Code Section 34191.5 (c) (1) (D).

The Successor Agency will develop a marketing plan to solicit viable purchase offers on properties designated for sale following DOF approval of this PMP. Once these offers are provided, these will ultimately be a much more precise determination of value than what is included in this PMP. As such, the reader is encouraged to understand this context when reviewing the estimated values contained herein.

ATTACHMENT 3 – GUADALUPE CHURCH MAINTENANCE AGREEMENT

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El Monte City Hall - East
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El Monte, CA 91731
Attn: City Attorney

11/10/2009
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MAINTENANCE AGREEMENT

(Guadalupe Church - 11355 and 11359 Coffield Avenue, El Monte, CA)
(APN: 8568-025-012 and 8568-025-018)
(El Monte Planning Commission – Resolution No. 3157 / El Monte City Council Ordinance No. 2733)

TO ALL INTERESTED PARTIES: This Agreement sets forth covenants, conditions and restrictions affecting the use and maintenance of the subject real property and all buildings, structures and other improvements constructed thereupon. This Agreement, among other things, further confers upon the City a right to inspect the subject Property for compliance with land use and zoning conditions.

THIS MAINTENANCE AGREEMENT (this "Agreement") is made and entered into this 9th day of NOVEMBER 2009 by and between the CITY OF EL MONTE, a municipal corporation and general law city ("City") and THE ROMAN CATHOLIC ARCHBISHOP OF LOS ANGELES, a corporation sole ("Owner"). For purposes of this Agreement, the City and Owner may be referred to collectively by the capitalized term "Parties". The capitalized term "Party" shall refer to either the City or the Owner interchangeably.

RECITAL

A. As indicated above, the City of El Monte, to wit, the "City", is a general law city and municipal corporation organized under the laws of the State of California. In keeping with Section 65100 of the California Government Code, the Planning Division of the El Monte Community Development Department is a subsidiary division of the City with power and authority to oversee and regulate various zoning and land use matters within the territorial jurisdiction of the City. In keeping with Section 65101 of the California Government Code, the El Monte City Council has created the El Monte Planning Commission ("Planning Commission") which is charged, among other things, with reviewing, denying, approving or conditionally approving discretionary land use and zoning requests as set forth under the California Government Code and the El Monte Municipal Code.

B. Owner is the owner in fee simple of that certain real property located at **11355** and **11359 Coffield Avenue** in the **City of El Monte**, County of Los Angeles, State of California (hereinafter, the "Property") which is more particularly described and depicted in the legal descriptions and depictions attached and incorporated hereto as **Attachments "A-1", "B-1", "A-2"** and **"B-2"**.

C. Owner has sought to improve its existing church facilities located on the Property by, among other things, the addition of a newly constructed multi-purpose building as well as the complimentary transformation and improvement of an adjacent *cul de sac* area into an open plaza area.

For purpose of this Agreement the entire improvement undertaking, inclusive of all additional improvements required by the Planning Commission and the City Council as a condition of approval shall hereinafter be referred to as the "Project."

D. Following a duly noticed public hearing, the Planning Commission, at its regular meeting of September 23, 2008, approved Resolution No. 3157 which includes various discretionary land use approvals and approval recommendations in connection with, and in the furtherance of, the Project. The specific actions undertaken by way of Resolution No. 3157 are:

(i) A recommendation that the City Council approve proposed General Plan Amendment No. 01-08;
(ii) A recommendation that the City Council approve proposed Zone Change No. 01-08;
(iii) Certification of a Mitigated Negative Declaration;
(iv) Approval of Conditional Use Permit No. 06-08; and
(v) Approval of Design Review No. 03-08.

A true and correct copy of Resolution No. 3157 is attached and incorporated hereto as **Attachment "C."**

E. City Council review of the Project commenced October 7, 2008 and was continued during the months of November and December 2008 to afford Owner an opportunity to develop a proposal aimed addressing and mitigating certain adverse impacts identified by the City Council.

F. The El Monte City Council, in connection with and in the furtherance of the Project, approved Ordinance No. 2733 which relates to the following approvals:

(i) General Plan Amendment No. 01-08 to change the general plan designation of certain land parcels from medium/low density residential to neighborhood commercial;
(ii) Zone Change No. 01-08 to change the zoning classification of certain land parcels from R-3 and R-4 to C;
(iii) Adoption of Mitigated Negative Declaration for the Property.

A true and correct copy of Ordinance No. 2733 is attached and incorporated hereto as **Attachment "D."** All references to "Parish" under Ordinance No. 2733 shall have the same meaning as the term "Owner" as used in this Agreement.

G. The approval of Resolution No. 3157 and Ordinance No. 2733 was expressly conditioned upon the establishment of, and compliance with, certain conditions of approval. But for Owner's agreement to satisfy these conditions, neither the Planning Commission nor the City Council would have approved Resolution No. 3157 or Ordinance No. 2733.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties covenant and agree as follows:

I.
PROJECT SPECIFIC COVENANTS

A. <u>PRE-CONSTRUCTION AND CONSTRUCTION PHASE CONDITIONS</u>.

Owner, on behalf of itself and its successors, assigns, tenants, occupants and users of the Property, covenants and agrees to undertake and comply with the following pre-construction and construction phase conditions and requirements in connection with the Project:

1. Performance Bond to Secure Completion of Parking Improvements: Compliance with the conditions of paragraph (29) of Section 9 of Resolution No. 3157 relating to the applicant's execution of a Fifty Thousand Dollar ($50,000.00) performance bond in a form acceptable to the El Monte City Attorney to secure the timely performance and completion all parking and circulation improvements called for under Section (C) of Article I of this Agreement within a period that does not exceed five (5) years from the issuance of building permits for the construction of the 5,687 square foot multi-purpose building to be located at 11355 Coffield Avenue. The Deputy City Manager for Community Development may reduce or authorize the suspension of the bonding requirement set forth herein pending and conditioned upon Owner's completion, to the reasonable satisfaction of the City, of all parking and circulation improvements called for under Section (C) of Article I of this Agreement on or before July 31, 2010. If Owner fails to complete all such improvements on or before July 31, 2010, the Deputy City Manager for Community Development may unilaterally lift any suspension of the bonding requirement and/or re-increase any previously reduced bond amount provided that any subsequent re-increase does not cause the total amount of the bond to exceed the sum of $50,000.00. Any bond required after the lifting of any suspension shall secure the timely performance and completion of all parking and circulation improvements called for under Section (C) of Article I of this Agreement on or before August 10, 2014, a date which the Parties stipulate is the fifth anniversary of the date upon which the Project was commenced. If all parking and circulation improvements are completed to the reasonable satisfaction of the City on or before July 31, 2010, the bonding requirement under this Section shall be forever waived. Approval of the completion of all parking and circulation improvements for purposes of waiving the bonding requirement shall be evidenced by the issuance of a written acknowledgement of completion by the Deputy City Manager for Community Development. Such acknowledgement of completion, however, shall be for the limited purpose of waiving the bonding requirement of this Section and shall not constitute acknowledgement or acceptance of the satisfactory completion of the Project or any component thereof for any other purpose. Also, any suspension or waiver of the bonding requirement of this Section shall not operate as a waiver of any other bonding requirement required under the El Monte Municipal Code. All notices and acknowledgements called for under this Section shall be valid and binding upon the City only if made in writing. 2. C&D/Solid Waste Collection and Disposal During Construction: Compliance with all conditions and requirements of paragraph (8) of Section 9 of Resolution No. 3157, including conditions relating to (i) the proper disposal of solid waste generated by the Project or accumulated upon the Project site; (ii) the retention of a duly franchised solid waste hauler authorized to provide solid waste services for construction and demolition projects within the City of El Monte; and (iii) the submission of reports demonstrating the proper disposal of wastes generated by the Project;

3. Securing the Project Site: Compliance with all conditions and requirements of paragraph (10) of Section 9 of Resolution No. 3157, including conditions relating to the fencing-off the Project site so as to prevent unauthorized access during construction and the requirement that the primary entrance of such fencing be designed and situated so as to provide visibility into the site at all times;

4. Property Survey - Submission: Compliance with all the requirements of paragraph (12) of Section 9 of Resolution No. 3157, including conditions relating to the submission of a property survey prepared by a licensed land surveyor to both the Engineering Division and the Planning Division before undertaking the construction of perimeter (property line) fences or walls;

5. Landscape Irrigation Plan:

(i) *Submission of Plan* - Compliance with all the requirements of paragraph (16) of Section 9 of Resolution No. 3157, including conditions relating to the submission of a detailed landscape/irrigation plan for approval by the Planning Division. (For purposes of this Agreement, the landscape/irrigation plan approved by the Planning Division shall hereinafter be referred to as the "Landscaping Plan" and shall be maintained by the Planning Division for viewing and copying as a public record);

(ii) *Preservation of Existing Mature Trees* - Consistent with paragraph (17) of Section 9 of Resolution No. 3157, Owner's Landscaping Plan shall, among other objectives, strive to preserve as many existing mature trees as is reasonably possible given the design parameters of the Project, with special preference given to mature trees located in the front and side yard setback areas of the Property;

(iii) *Replacement of Mature Trees Removed to Carry-out Construction* - Consistent with paragraph (18) of Section 9 of Resolution No. 3157, Owner's Landscaping Plan shall also provide for the replacement of those specific mature trees which must be removed for the limited purpose of carrying-out the construction of the improvements contemplated under Resolution No. 3157 but whose existing location may reasonably accommodate the replanting of a mature tree following the completion of construction. In keeping with paragraph (18), referenced above, any mature trees which are so removed but which may later be replaced shall be replaced by 48" box trees. The Planning Services Manager shall further retain discretion to waive the replacement requirement as to any specific tree that has been removed or authorize the planting of its replacement at a different location on the Property to reasonably accommodate the design parameters of the Project;

6. Trash Enclosure Design Plan – Submission: Compliance with all requirements of paragraph (20) of Section 9 of Resolution No. 3157, including conditions relating to the submission of designs for onsite trash enclosures for review and approval by the Planning Services Manager during the plan check process;

7. Light Fixture Design Specifications – Submission: Compliance with all the requirements of paragraph (23) of Section 9 of Resolution No. 3157, including conditions relating to the submission to the Planning Division of designs and specifications for all proposed exterior site lighting fixtures;

8. Designs for Signage – Submission: Compliance with the requirements of paragraph (28) of Section 9 of Resolution No. 3157, including conditions relating to the submission of designs for any monument signage proposed for the Project;

9. Identification of Utilities – Submission: Compliance with the requirements of paragraph (21) which requires the applicant to submit a plan depicting the location of above ground utility appurtenances;

10. Submission of Restriping Plan: Compliance with the requirements of paragraph 3(d) of Section 9 of Ordinance No. 2377 through the submission for approval by the Planning Services Manager of a restriping plan for all on-site parking on the Property. Such plans shall include a time schedule for completion and calculations as to the total number of on-site parking spaces to be created. The Planning Services Manager may approve the restriping plans subject to reasonable modifications aimed at facilitating traffic circulation and maximizing the number of parking spaces created;

11. Other Miscellaneous Pre-Construction and Construction Phase Conditions: Compliance with all other conditions and requirements of Resolution No. 3157 and Ordinance No. 2377 relating to the Project's pre-construction or construction phase duties and obligations.

B. GENERAL DESIGN AND DEVELOPMENT CONDITIONS.

Owner, on behalf of itself and its successors, assigns, tenants, occupants and users of the Property, covenants and agrees to undertake, satisfy and comply with the following:

1. Compliance with Approved Development Plans: Consistent with paragraph (3) of Section 9 of Resolution No. 3157, the Project shall be constructed in substantial compliance with, and shall all times after the completion of construction remain in compliance with, the development plans for the Project as the same were approved by the El Monte Planning Commission by passage of Resolution No. 3157 at its regular meeting of September 23, 2008, subject to any additional amendments or modifications approved by the El Monte City Council by way of Ordinance No. 2733. (The approved development plans are maintained in the records of the El Monte Planning Division);

2. Irrigation System Installation: The installation of an automatic timed underground irrigation system for all landscaped areas on the Property as well as all adjacent public parkways. The installation and design of the automatic timed underground irrigation system shall at all times comply with the specifications, and conditions contained in the approved Landscaping Plan;

3. Planting of Trees and Other Vegetation: The planting of trees, shrubs, ground cover and other like vegetation in all landscaped areas in accordance with the approved Landscaping Plan;

4. Installation of Concrete Curbs/Mow Strips: Consistent with paragraph (19) of Section 9 of Resolution No. 3157, the construction and ongoing maintenance and upkeep of a 6" x 6" decorative concrete curbs/mow strips for all landscaped planters on the Property;

5. Bathroom Fixtures: As required under paragraph (22) of Section 9 of Resolution No. 3157, all public bathrooms located on the Property shall incorporate automatic flushing valves (or other comparable self-flushing devices) for all toilet and urinal fixtures;

6. Monument Signage: Consistent with paragraph (28) of Section 9 of Resolution No. 3157, only monument type signage (i.e., freestanding signs not exceeding four feet in height) may be approved for the Property;

7. General Code Compliance: Compliance with all applicable provisions of the El Monte Municipal Code as the same presently exists or as they may be amended or modified from time to time, except to the extent any subsequent amendments or modifications conflict with any vested rights or land use authorizations granted by way of Resolution No. 3157;

8. Compliance with All Approved Plans: Compliance with all approved plans (e.g. landscape irrigation plans, lighting plans etc.) submitted in compliance with Article I(A), above.

C. SPECIAL PARKING AND TRAFFIC CIRCULATION CONDITIONS.

Owner acknowledges that the Project has the potential to create adverse parking and traffic circulation impacts. In recognition of the foregoing, Owner, in consultation with City agrees to the following parking-related and traffic circulation-related conditions:

1. Parking/Traffic - Operational Conditions: Owner, on behalf of itself and its successors, assigns, and tenants covenants and agree to at all times comply with and abide by the following parking-related and traffic-circulation-related operational conditions:

(i) *Parking Control Personnel* - Consistent with paragraph 3(e) of Section 9 of Ordinance No. 2733, each Sunday, Owner shall deploy about the Property clearly identifiable parking control personnel whose purpose will be to facilitate the ingress and egress of vehicles arriving for Sunday activities and efficiently direct attendees to available parking on the Property or at nearby locations.

(ii) *Routine Deployment of Temporary Directional Signage* - Consistent with paragraph 3(e) of Section 9 of Ordinance No. 2733, each Sunday, Owner shall place strategically deployed temporary signage on or about the Property (e.g. sandwich board signs or the like) informing attendees of available off-site parking and providing direction to such off-site parking. (For example, the signage may include notices stating "CHURCH PARKING" with directional arrows indicating the direction the off-site church parking is located). Such signage shall be deployed prior to the commencement of Sunday services and shall be promptly removed following the conclusion of all Sunday services but in no event later than 11:59 p.m. each Sunday.

(iii) *Distribution of Informational Flyers* - Consistent with paragraph 3(f) of Section 9 of Ordinance 2733, each Sunday during the first full month following the recordation of this Agreement and on the first Sunday each month thereafter, Owner shall distribute informational flyers printed in both English and Spanish to its attendees that advises them: (a) to make use of available on-site parking and dedicated off-site parking before attempting to park their vehicles on local streets; (b) to dispose of trash in designated trash containers located about the Property; and (c) to show neighborly consideration for residents who live around the Property by not discarding trash on sidewalks, by not blocking residential driveways and by generally respecting the right of residents to peacefully and quietly enjoy the use of their properties. Owner shall also distribute such flyers on the Sunday immediately preceding Easter and Christmas services. The insertion or inclusion of all of the foregoing information in parish bulletins, newsletters or other routinely distributed informational material will satisfy the flyer requirement of this subsection, provided that such information is displayed prominently therein and provided such routinely distributed informational materials are distributed with at least the same frequency called for under this subsection.

(iv) *Closure of Center Gate Fronting Montecito* – Consistent with paragraph 3(a) of Section 9 of Ordinance No. 2733, the center parking lot gate fronting Montecito Drive shall be kept permanently closed and shall not be used for the ingress and egress of motor vehicles to and from the Property.

(v) *Ingress/Egress Restrictions for Northernmost Montecito Gate* - Consistent with paragraph 3(a) of Section 9 of Ordinance No. 2733, the Property's northernmost parking lot gate fronting Montecito Drive may not be used for motor vehicle egress. Motor vehicles exiting the Property's northernmost parking lot area onto Montecito Drive may only do so by way of the southernmost parking gate fronting Montecito Drive.

(vi) *Ingress/Egress Restrictions for Southernmost Montecito Gate* - Consistent with paragraph 3(a) of Section 9 of Ordinance No. 2733, the Property's southernmost parking lot gate fronting Montecito Drive may not be used for motor vehicle ingress. Motor vehicles entering the Property's northernmost parking lot area from Montecito Drive may only do so by way of the northernmost parking gate fronting Montecito Drive.

(vii) *Availability of On-Site Parking* – In compliance with paragraph (25) of Section 9 of Resolution No. 3157, all onsite parking spaces shall be kept free of obstructions and shall be used exclusively for the parking of operable vehicles. The assignment of designated parking spaces shall be prohibited.

2. Parking Improvements: The Parties seek to reduce parking and traffic circulation burdens placed upon public streets located about the Property by vehicles used to transport persons to and from Sunday services and functions conducted upon the Property. To this end, the Parties seek to increase the total number of on-site parking spaces to a minimum of three hundred and thirty-three (333) spaces. The Parties also seek to supplement the Owner's on-site parking with Sunday off-site parking opportunities through Owner's execution of agreements with neighboring property owners and through the more effective use of existing public parking available along Iris Lane between Montecito Drive and Medina Court. By way of the foregoing measures, the Parties seek to establish and at all times maintain a total Sunday parking availability of approximately five hundred and forty-seven (547) parking spaces total. In the furtherance of the foregoing, Owner, on behalf of itself and its successors, assigns, and tenants covenants and agree to construct and maintain the following parking-related improvements:

(i) *Iris Lane Improvements* – Consistent with paragraph 3(g) of Section 9 of Ordinance No. 2377, Owner shall stripe either the northern side or the southern side of Iris Lane (but not both) between Orchard Street and Montecito Drive to create and thereafter maintain a minimum of nineteen (19) additional parking spaces for the Property.

(ii) *Restriping of Northeast Parking Lot Fronting Montecito* – Consistent with paragraph 3(a) of Section 9 of Ordinance No. 2733, Owner shall restripe that portion of the northeast parking lot area fronting Montecito Drive with the objective of creating a minimum of sixteen (16) additional parking spaces.

(iii) *Sunday Off-Site Parking Agreements* - Owner shall execute and enter into an agreement with Laborers' International Union of North America, Local 300 for the Sunday use of the Laborers' parking facilities located at 11346 Ramona Boulevard, El Monte, California, thereby providing Owner with approximately sixty-five (65) off-site parking spaces for use by its Sunday patrons and attendees. Owner shall also execute and enter into an agreement with the Knights of Columbus, St. Christopher Council, No. 3159 for the Sunday use of its parking facilities located at 11331 Stewart Street, El Monte, California, thereby providing Owner with approximately one hundred and fifteen (115) additional off-site parking spaces for use by its Sunday patrons and attendees. True and correct copies of the two aforementioned parking agreements are maintained by the El Monte Planning Division. Within ten (10) calendar days of the expiration, termination or repudiation of any of the foregoing off-site parking agreements, Owner shall provide City with written notice of such termination, expiration or repudiation and its effective date. Such notice shall also include a description of interim measures Owner shall employ to cope with parking pending final and formal approval of a long-term solution. Within ninety (90) calendar days of the expiration or termination of any of the foregoing off-site parking agreements, Owner shall submit for review by the Planning Services Manager a written proposal to restore the total available Sunday parking for Property (inclusive of on-site and off-site parking) to approximately five hundred and forty-seven (547) spaces total within a plus or minus margin reasonably acceptable to the Planning Services Manager. The Planning Services Manager may approve the Owner's proposal as proposed or subject to amendments or modifications. The Planning Services Manager may also require that the matter be submitted to the Planning Commission. Any revised off-site parking plan shall be memorialized and formalized by written agreement of the Parties.

3. Circulation Improvements:

(i) *Construction of Pedestrian Sidewalk to Facilitate Pedestrian Traffic To and From Off-Site Parking* – Consistent with paragraph 4(b) of Section 9 of Ordinance No. 2377, Owner, with the prior written approval of City, shall install a pedestrian sidewalk running along the eastern side of Orchard Street between Iris Lane and Ramona Boulevard upon property currently landscaped with vegetation. The addition of the sidewalk shall be supplemented by the installation of a painted striped pathway running diagonally through a largely unimproved triangular segment of the Property which lies at northeast corner of Iris Lane and Orchard Street. After crossing diagonally through the aforementioned triangular segment lying on the northeast corner of Iris Lane and Orchard Street, the stripped path shall continue through a children's play area located upon the Property and shall terminate at the *cul de sac* portion of Coffield Avenue. The Parties acknowledge, understand and agree that the first sentence of paragraph 4(b) of Section 9 of Ordinance No. 2377 contains a clerical error in that it makes erroneous reference to paragraph "3(d)" as opposed to the correct paragraph, namely, "3(b)".

(ii) *Off-Site Traffic Circulation Improvements* - Consistent with paragraphs 4(d), 4(e) and 4(f) of Section 9 of Ordinance No. 2377, Owner, at its sole cost and expense and in compliance with City standards and requirements, shall undertake and complete the following off-site traffic circulation improvements along Ramona Boulevard:

1. Owner shall install red curbs approximately five feet (5') in length on each side of private property driveway aprons for all such properties located: (i) on Montecito Drive between Ramona Boulevard and Cypress Avenue; (ii) on Coffield Avenue; (iii) on Orchard Street between Cypress and Ramona Boulevard; and (iv) on Pine Avenue between Orchard Street and Montecito Drive.

2. Owner shall extend further westward a raised median currently located along Ramona Boulevard from the intersection of Peck Road westward. The aforementioned median shall be extended approximately forty feet (40') westward along Ramona Boulevard toward Orchard Street from a point approximately parallel to the Montecito Drive center line;

3. Owner shall restripe the southbound approach of Montecito Avenue in such manner as to restrict all turns onto Ramona Boulevard from Montecito Drive to right-hand turns only.

Owner shall also reimburse City for the actual cost of installing signage restricting left-hand turns from Montecito Drive onto Ramona within thirty (30) calendar days from the submission of invoices for the same by the City.

(iv) *Collaboration with City Engineer:* Owner or Owner's contractor shall be required to obtain all City permits required for construction activities performed in or along the public right-of-way, including encroachment permits. Prior to submitting any application for any required City permit and prior to undertaking any of the improvements contemplated under Section (C)(3)(ii), above, Owner or Owner's contractors shall:

1. Collaborate and consult with the City Engineer or designee in the development of any plans and specifications for the contemplated off-site improvements to ensure compliance with City standards and compliance with the requirements of Ordinance No. 2377 and Resolution No. 3157;

2. Collaborate and consult with the City Engineer or designee in the development of a work schedule to ensure that all construction-related activities are performed in a timely manner and in a manner that minimizes any disturbance (e.g., noise or dust) such activities may cause to neighboring businesses and residential properties or to traffic circulation along Ramona Boulevard during the construction period;

3. Collaborate and consult with the City Engineer or designee in the preparation of a traffic mitigation plan which sets forth those mitigation measures to be employed by Owner or Owner's contractors during the construction and installation of any improvements contemplated under Section (C)(3)(ii); and

4. Submit all finalized plans, specifications and work schedules prepared in connection with the off-site improvements to the City Engineer for final review and approval.

D. OPERATIONAL CONDITIONS.

Owner, on behalf of itself and its successors, assigns, and tenants covenants and agree to at all times comply with and abide by the following operational and maintenance conditions:

1. Collection and Disposal of Solid Waste/Trash, Bulky Items and Other Debris:

(i) *Proper Collection and Disposal of Trash* - Consistent with paragraph (8) of Section 9 of Resolution No. 3157, Owner shall at all times comply with, and conform to, the condition that all solid waste generated by or accumulated upon the Property shall be disposed of by depositing the same in dumpsters or other like containers and that all such solid waste shall be removed from the premises on a routine basis by a duly franchised solid waste hauler as provided under Chapter 8.20 of the El Monte Municipal Code.

(ii) *Removal of Waste from Abutting Sidewalks and Parkways* – Consistent with paragraph (9) of Section 9 of Resolution No. 3157, Owner shall keep all public sidewalks and parkway areas immediately abutting and adjacent to the Property in a neat, clean and well-maintained condition, consistent with the general maintenance standards set forth under Article II of this Agreement, below. For purposes of this Agreement, the term "parkways" means the portion of public right-of-way between the curb and the edge of the public right-of-way where the right-of-way abuts adjacent private property. In furtherance of the foregoing duty to maintain, parkways and sidewalks immediately adjacent to the Property shall also be kept free and clear of discarded bulky items such as furniture, mattresses, appliances, electronic equipment; plumbing fixtures; crates and pallets; carpets and carpet padding; construction materials and other construction debris; tires and the like.

(iii) *Deployment of Extra Trash Containers on Sundays* - Consistent with paragraph (2) of Section 9 of Ordinance No. 2733, each Sunday prior to the commencement of services, Owner shall place additional trash containers at strategic, well-traveled locations about the Property.

(iv) *Establishment of Sunday Clean-Up Teams* - Consistent with paragraph (2) of Section 9 of Ordinance No. 2733, Owner shall establish and dispatch teams of persons to undertake the collection of all solid waste, trash, bulky items and other debris discarded or accumulated on or about the Property immediately following each mass or other similar function conducted on upon the Property between the hours of 12:00 a.m. to 11:59 p.m. on Sunday of each week. In the course of such collection efforts, such teams shall also remove solid waste, trash, bulky items and other debris discarded or accumulated:

a) Along Coffield Avenue from the easternmost *cul de sac* portion of Coffield Avenue to Orchard Street;

b) Along Orchard Street from Ramona Boulevard to Pine Avenue;

c) Along Iris Lane between Orchard Street and Montecito Drive; and

d) Along Montecito Drive between Iris Lane and Pine Avenue.

(iv) Nothing in this subsection (D)(1) of Article I shall be interpreted to limit or otherwise restrict the Owner's broader duty to keep all public sidewalks and parkway areas immediately abutting and adjacent to the Property in a neat, clean and well-maintained condition, consistent with the general maintenance standards set forth under Article II of this Agreement, below

2. Noise Mitigation – Exterior Loud Speakers: Consistent with paragraph (1) of Section 9 of Ordinance 2733, Owner shall at all times refrain from operating any and all exterior loud speakers affixed to any existing or future buildings or structures on the Property that front Coffield Avenue.

3. Business Activities/Storage Restricted to Inner Confines of Buildings: Consistent with paragraph (24) of Section 9 of Resolution No. 3157, all business activities and all storage shall be restricted to the confines of buildings located on the Property. Commercial displays, advertisements, merchandise, containers and inoperable vehicles shall be stored within the confines of all buildings located upon the Property;

5. Restrictions on Use of Living Quarters: In compliance with paragraph (30) of Section 9 of Resolution No. 3157, all residential living quarters located on the Property shall be for the exclusive use of clergy members servicing the adjacent church facilities. No such quarter shall be rented, leased or subleased separately or collectively to anyone other than the clergy members referenced above.

6. Fire Lane Signage: Consistent with paragraph (26) of Section 9 of Resolution No. 3157, Owner, if so requested by the Los Angeles County Fire Department, shall post signs on fire lanes in a format approved by both Los Angeles County Fire Department and City which advices all persons that parking in the fire lane is prohibited and a violation of Section 10.16.060. Such notice shall also include a contact phone number for the El Monte Police Department so that violations of Section 10.16.060 may be reported.

E. COMPLIANCE WITH OPERATIONAL CONDITIONS.

1. Any failure to comply with the operational conditions set forth under Sections (C)(1) and (D) of this Article shall be corrected immediately upon verbal or written notice by City or within such extended period of time as may be authorized in writing by the City in City's discretion. Such verbal or written notice shall be deemed effective when given or delivered to any of the Owner contacts identified under Section (A) of Article IV of this Agreement below or when given to any of the other contacts designated in the "Contact List" described under subsection (3) of this Section (E), below.

2. City may exercise any and all enforcement procedures and pursue any and all remedies available under the El Monte Municipal Code, this Agreement or under the laws of the State of California to enforce compliance with the operational conditions of Sections (C)(1) and (D) of this Article, including the possible revocation of underlying discretionary land use approvals for failure to comply with conditions of approval. All such remedies shall be cumulative and not exclusive.

3. To facilitate communication between City, Owner and Owner's agents and representatives responsible for managing the day-to-day operations of the Property on Owner's behalf, Owner shall provide City with a contact list of representatives or other personnel, at least one of whom, will be on-site on Sundays or immediately available to communicate with and direct on-site personnel to

address any failure to comply with those operational conditions set forth under Sections (C)(1) and (D) of this Article. The aforementioned list shall be referred to as the "Contact List."

II.
MAINTENANCE/GOOD STEWARDSHIP CONDITIONS

A. Maintenance Standards/Good Stewardship Provisions. Owner, on behalf of itself and its successors, assigns and tenants, covenants and agrees to the following:

1. To maintain all improvements located upon the Property in good repair and in a neat, clean, operable and orderly condition;

2. To maintain all driveways, fire lanes and vehicle parking areas in good repair and in a serviceable condition;

3. To maintain all light fixtures, paved areas, parking areas and drainage improvements in good repair and in a neat, clean and operable condition;

4. To maintain irrigation systems in good working order so that same are at all times functioning properly;

5. To maintain all landscaped areas and plants in a neat, clean, well-manicured and orderly condition which includes (i) the prompt removal and replacement of dead, damaged or diseased landscaping (including trees, shrubs, grass and other vegetation) with trees, shrubs, grass or vegetation that are substantially similar in both variety and size; (ii) routine weed abatement and removal; and (iii) routine pruning, cutting or trimming of existing landscaping to prevent overgrowth;

6. To maintain all public restrooms on the Property in a neat, clean and sanitary condition through routine cleaning; maintain all plumbing fixtures (e.g. toilets, urinals and sinks) in an operable condition; and maintain all bathroom stalls including stall doors and locking devices in good repair;

8. To maintain the Property at all times in accordance with all other the standards of repair, maintenance and cleanliness specified in the El Monte Municipal Code.

B. Correction of Maintenance Deficiencies.

1. *General Covenant to Maintain Property and Improvements* - In keeping with the design, construction and development standards set forth under this Agreement and in keeping with the operational conditions and general maintenance standards also set forth in this Agreement, Owner, on behalf of itself and its respective successors, assigns, hereby covenants and agrees that the Property and all improvements located therein (including all buildings, structures, lighting systems, irrigation systems, parking lots and other paved areas, walkways, landscaped areas, exterior signage, drainage systems and utilities) shall be maintained in good repair and in a neat, clean and orderly condition. For purposes of this Agreement the occurrence of any condition upon the Property that is in violation of, or is otherwise contrary, to the requirements, conditions and restrictions of this Agreement shall hereinafter be referred to as a "Maintenance Deficiency."

2. *General Maintenance Deficiencies - Notice and Cure Period* – Except as otherwise provided under Section (E) of Article I, above, upon the occurrence of a Maintenance Deficiency, City shall notify the Owner in writing of the Maintenance Deficiency and give the Owner thirty (30) calendar days from receipt of such notice to cure the Maintenance Deficiency as identified in the notice, unless

such deficiency is of such a nature that it cannot be reasonably cured within such time period. The foregoing notwithstanding, the applicable compliance period for Maintenance Deficiencies relating to the operational conditions of subsections (C)(1) or (D) of Article I, above, shall be governed by subsection (E) of Article I, above.

3. [RESERVED – NO TEXT]

4. For purposes of this Agreement a "Maintenance Deficiency" includes but is not limited to the following examples:

a) Damaged or defaced signage;

b) Burnt-out light bulbs or burnt-out fluorescent lighting tubes for all illuminated signage;

c) The covering-over of all or any portion of a damaged sign, including illuminated signage, with banners, tarps or plastic in lieu of actual repair and/or in lieu of the replacement of burn-out light bulbs or burnt-out fluorescent tubes;

d) Dead, damaged or diseased trees, shrubs, lawns and/or other vegetation, including dead patches on lawns;

e) Overgrown trees, shrubs, lawns and/or other vegetation (i.e., tree, shrubs, lawns and/or other vegetation which have been allowed to become overgrown due to a lack of routine pruning cutting, trimming or other like maintenance);

f) Damaged or inoperable irrigation systems;

g) Weed-infested landscape areas (i.e. landscape areas which have become overtaken and/or infested with weeds due to a lack of routine weeding or other like maintenance);

h) Faded or non-visible parking space stripping where stripping is required;

i) Potholes;

j) Cracked or damaged asphalt, pavement and/or concrete;

k) Peeling, cracking and/or chipped paint on any building, structure, fixture or other improvement;

l) Damaged, crumbling or exposed building facades; damaged or destroyed walls, doors or screens; broken or shattered windows or glass doors; and the like;

m) The failure to undertake the routine off-site disposal of solid waste, debris or other trash and refuse generated by the owner, tenant(s), occupant(s) or other users of the Property or otherwise accumulated upon the Property;

n) The storage, accumulation or discarding of solid waste, debris or other trash or refuse at locations other than the confines of approved trash enclosures;

o) The proliferation and/or accumulation of litter and debris in or around the Property as a result of the failure to undertake routine sweeping or cleaning of the Property, including

but not limited to the routine sweeping of parking areas, public areas and abutting sidewalks;

p) Inoperable or broken plumbing fixtures in public restrooms; broken bathroom stalls; and/or the accumulation of human waste, trash and other refuse within public restroom facilities.

q) The failure to comply with any of the operational conditions set forth under subsections (C)(1) or (D) of Article I, above.

C. In the event Owner fails to cure or commence the cure of a Maintenance Deficiency within the time allowed, the City may conduct a public hearing following transmittal of written notice thereof to the Owner Fifteen (15) days prior to the scheduled date of such public hearing in order to verify whether a Maintenance Deficiency exits. If upon the conclusion of a public hearing, the City makes a written finding that a Maintenance Deficiency exists and that there appears to be non-compliance with the general maintenance standards set forth in this Agreement, thereafter the City shall have the right to enter the Property upon ten (10) days prior written notice to Owner and perform all reasonable acts necessary to cure the Maintenance Deficiency, or to take other reasonable action at law or equity to accomplish the abatement of the Maintenance Deficiency. Any reasonable sum expended by the City for the abatement of a Maintenance Deficiency on the Property authorized by this Article shall become a lien on the Property. If the amount of the lien is not paid within thirty (30) days after written demand for payment by the City to the Owner, the City shall have the right to enforce the lien in the manner as provided under this Article.

D. Graffiti Removal.

1. Owner on behalf of itself and its successors, assigns and tenants covenants and agrees to keep the exterior surfaces of all buildings, structures, fixtures or other improvements located on the Property open to and/or visible by the general public free and clear of graffiti.

2. For purposes of this Agreement, the term "graffiti" means any unauthorized inscription, word, figure, mark or design that is written, marked, etched, scratched, drawn or painted on any real or personal property. Where graffiti has been applied by means that do not involve the etching or scratching of a surface, removal may be accomplished by employing any one of the following methods: **(i)** painting over the graffiti with a paint which has been color-matched to the surface on which the paint is applied; **(ii)** through the use of solvents, detergents or water provided such substances remove all evidence of the graffiti without causing fading or discoloration of the affected surface area in a manner that contrasts with unaffected surface areas; or **(iii)** through any other method expressly approved by the Deputy City Manager for Community Development or designee in writing while acting in their official capacity on behalf of the City of El Monte. Where graffiti has been applied by means involving the etching or scratching of the surface and the application of color-matched paint, solvents, detergents, water or other City-approved methods is not sufficient or appropriate to eliminate the evidence of such graffiti, Owner shall also refinish any affected surface of a building or structure and/or replace any affected fixtures or improvements which cannot be refinished, repainted or otherwise repaired.

E. Graffiti shall be removed as provided under paragraph (D) of this Article, above, within seventy-two (72) hours of its application. In the event such graffiti is not timely removed, City shall notify the Owner and allow an additional forty-eight (48) hours to remove the graffiti. Such notification shall include a provision indicating that if the graffiti is not removed within 48 hours of receipt of said notice, the City shall have the right to remove the graffiti without further notice to Owner. Any reasonable sums expended by the City for the removal of such graffiti shall be payable by Owner within sixty (60) calendar days of receipt of the notice to pay. The foregoing notwithstanding, the amount

reimbursed to City shall not exceed the sum of Five Hundred Dollars ($500.00) per entry by City. The sums expended by the City shall become a lien on the Property if the amount of the lien is not paid within sixty (60) calendar days after written demand for payment by the City to the Owner, the City shall have the right to enforce its lien in the manner provided under paragraph (F) of this Article, below.

F. The Parties hereto mutually understand and agree that the rights conferred upon the City under this Article expressly include the power to establish and enforce a lien, as provided in paragraphs (C) and (E) of this Article or such other encumbrance against the Property or any portion thereof, in the manner provided under Civil Code Sections 2924, 2924b and 2924c, subject to all then existing other liens and encumbrances on the Property, in an amount reasonably necessary to restore the Property to the maintenance standard required under this Agreement, including reasonable attorneys fees and costs of the City associated with the abatement of the Maintenance Deficiency or removal of the graffiti and the collection of the costs of the City in connection with such action. The provisions of this Article shall be a covenant running with the land as long as the Property is used in the manner contemplated and authorized under Resolution 3158.

G. No lien contemplated under this Agreement shall become effective until such time as City records a Notice of Lien in the official records of the Registrar-Recorder/County Clerk for the County of Los Angeles, which references this Article. Any lien in favor of the City created pursuant to this Article shall be subject to the lien or charge of any mortgage, deed of trust or other financing or security instrument made in good faith and for value in favor of an institutional lender prior to the date of such Notice of Lien. In the event of a foreclosure of such a deed of trust or other lien which predates such Notice of Lien, or in the event of an acceptance of a deed in lieu of foreclosure, the City lien evidenced by such a Notice of Lien which has accrued up to the date of foreclosure or the acceptance of a deed in lieu of foreclosure shall be extinguished and the foreclosure purchaser or deed in lieu owner shall take title to the Property free of the City lien evidenced by the Notice of Lien; provided, however, any such successor of a security interest in the Property shall be subject to a new lien of the City arising under this Article for all charges that may accrue under this Article subsequent to the foreclosure or deed given in lieu of foreclosure.

H. The remedy available to the City under this Article is in addition to any other remedy available to the City under the El Monte Municipal Code; provided however, that if the City initiates proceedings to enforce any property maintenance standard or cure any other default under the El Monte Municipal Code, the City shall not simultaneously enforce its rights to obtain correction of a Maintenance Deficiency under this Agreement. With respect to the El Monte Municipal Code, nothing in this paragraph shall be interpreted to require compliance with later amended or modified provisions of the El Monte Municipal Code to the extent any such later amended or modified provisions conflict with any vested land use rights, or authorizations granted by way of El Monte Planning Commission Resolution No. 3158.

I. In order to monitor compliance with the maintenance standards set forth under this Agreement, under El Monte Planning Commission Resolution No. 3158 and under any other applicable land use, zoning and/or building code provisions of the El Monte Municipal Code, the City shall have the right to conduct periodic inspections of those portions of the Property that are open to and/or visible by the general public as well as any inspections authorized under Chapter 17.16 (Certificate of Occupancy) of the El Monte Municipal Code. Any inspection, other than those called for under Chapter 17.16, shall be conducted upon ten (10) days prior written notice to Owner. The right to inspect the Property under this Agreement is in addition to any other right of inspection the City may have at law and is not intended to be the City's sole means of verifying compliance with this Agreement, El Monte Planning Commission Resolution No. 3158 or applicable provisions of the El Monte Municipal Code. The failure to permit such inspections shall constitute a material breach of this Agreement. With respect to the El Monte

Municipal Code, nothing in this paragraph shall be interpreted to require compliance with later amended or modified provisions of the El Monte Municipal Code to the extent any such later amended or modified provisions conflict with any vested land use rights, or authorizations granted by way of El Monte Planning Commission Resolution No.3158.

III.
REMEDIES CUMULATIVE

The remedies under this Agreement are cumulative with any other remedies available to City at law or in equity. Furthermore, nothing in this Agreement or Resolution No. 3158 shall prevent City from enforcing any and all provisions of the El Monte Municipal Code, including but not limited to those provisions relating to land use, zoning, building standards, general maintenance and the like. City reserves the right to issue administrative and/or criminal citations, as appropriate, to enforce the provisions of the El Monte Municipal Code except to the extent that any such enforcement conflicts with any vested rights which inure to the Property. Nothing in this Agreement shall be deemed to limit or restrict any authority the City may have to initiate proceedings to revoke any land use approvals or authorizations granted under Resolution No. 3158 as provided under the El Monte Municipal Code or as may otherwise be authorized by law.

IV.
MISCELLANEOUS

A. All notices under this Agreement to be given by any Party to another party may be delivered personally or by depositing the same in the U.S. Mail, certified, return receipt requested, postage pre-paid properly addressed and sent to such party at their place of business. Owner's mailing address as of the recordation date of this Agreement as follows:

OWNER:

Roman Catholic Archbishop of Los Angeles,
a corporation sole
3424 Wilshire Blvd.
Los Angeles, CA 90010
Attn: Michael T. Davitt
Director of Real Estate
Archdiocese of Los Angeles
Phone: (213) 637-7273
Fax: (213) 637-6273
E-Mail: MTDavitt@la-archdiocese.org

Additional copy to:

Our Lady of Guadalupe Catholic Church
11355 Coffield Avenue
El Monte, California 91731
Attn: Father Francisco Vitela

Phone: (626) 448-1795
Fax: (626) 448-9507
E-Mail: oloqpeelmonte@earthlink.net

CITY:
City of El Monte c/o
El Monte Planning Division
El Monte City Hall – West
11333 Valley Boulevard
El Monte, CA 91731
Attn: Planning Services Manager
Phone: 626-258-8626
Fax: 626-258-8628

Additional copy to:
El Monte Commercial Code Enforcement Division
El Monte City Hall – West
11333 Valley Boulevard
El Monte, CA 91731
Attn: Commercial Code Enforcement Supervisor
Phone: 626 580-2085
Fax: 626-580-2293

All notices to City shall be mailed to: City of El Monte c/o El Monte Planning Division, 11333 Valley Boulevard, El Monte, California 91731 or such other address indicated by City in writing. A notice will be deemed given on the day such notice is personally delivered, or on the third business day following the day such notice is mailed in accordance with this Article.

B. This Agreement may not be amended, modified or terminated unless and until: (i) the Owner of the Property first obtains approval for such amendment, modification or termination from the El Monte Planning Commission or the City of Council by way of appeal and such approval is ratified by resolution, and (ii) the amendments, modification or termination authorized by resolution are set forth in a written instrument executed by the Parties; and (iii) such written instrument is duly recorded against the Property. In granting or denying any request for amendment, modification or termination, the Planning Commission (or the City council on appeal) reserves the right to impose all such standards, conditions or restrictions as it may lawfully impose at the time the request is made. The Planning Commission on its own motion reserves the right to terminate this Agreement at any time by resolution following a duly noticed public hearing on the matter. The termination of this Agreement alone, however, shall not by itself effectuate a termination of any approvals granted under Resolution No. 3157 or Ordinance No. 2733, which shall remain enforceable as provided under the El Monte Municipal Code and the laws of the State of California.

C. It is the intent of the Parties that the requirements, terms and conditions set forth in this Agreement constitute covenants, conditions and restrictions that run with the Property so long as its use is in accordance with Resolution No. 3157 and Ordinance No. 2733.

D. If any portion of this Agreement is declared invalid or unenforceable by court of competent jurisdiction, the remaining provisions of this Agreement shall remain in effect.

E. In the event of any conflict or inconsistency between the provisions of Resolution No. 3157 and Ordinance No. 2377 and the provisions of this Agreement, the El Monte Municipal Code or the plans approved by the Planning Commission and the City Council in approving Resolution No. 3157 and Ordinance No. 2377, the provisions of Resolution No. 3157 and Ordinance No. 2377 shall control. In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the El Monte Municipal Code or the plans approved by the El Monte Planning Commission in approving Resolution No. 3157 and Ordinance No. 2377, the plans shall control.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed the day and year first appearing in this Agreement, above.

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OWNER:

By: The Roman Catholic Archbishop of Los Angeles , a corporation sole

Name: Royale M. Vadakin

Title: Attorney in-fact

By: _____

Name: _____

Title: _____

CITY OF EL MONTE:

By: _____
Rene Bobadilla
Interim City Manager

APPROVED AS TO FORM:

By: _____
Richard Padilla, Deputy City Attorney

ATTACHMENT "A-1"
[LEGAL DESCRIPTION OF MAIN PORTION OF PROPERTY]
(Page 1 of 3)

LEGAL DESCPRIPTION
CREATED BY THE LOT MERGER OF
LOT 1 (11355 COFFIELD AVE. -A.P.N. 8568-025-012) WITH
LOT 2 (11359 COFFIELD AVE. – A.P.N. 8568-025-018)

THAT PORTION OF LOT 5 OF TRACT NO. 13248, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 273, PAGE 38 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE MOST EASTERLY CORNER OF SAID LOT; THENCE ALONG THE SOUTHEASTERLY LINE OF SAID LOT SOUTH 44° 54' WEST 21.74 FEET TO THE NORTHERLY LINE OF THE STRIP OF LAND MARKED "FUTURE STREET" ON THE MAP OF SAID TRACT; THENCE ALONG SAID NORTHERLY LINE SOUTH 81° 52' 15" WEST 140.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID NORTHERLY LINE SOUTH 81° 52' 15" WEST 100.00 FEET; THENCE NORTH 8° 07' 45" WEST 160.73 FEET TO THE NORTHWESTERLY LINE OF SAID LOT; THENCE ALONG SAID NORTHWESTERLY LINE NORTH 33° 39' 40" EAST 113.82 FEET TO THE MOST NORTHERLY CORNER OF SAID LOT; THENCE ALONG THE NORTHEASTERLY LINE OF SAID LOT SOUTH 46° 06' 20" EAST 39.26 FEET, MORE OR LESS TO A LINE BEARS NORTH 8° 07' 45" WEST FROM THE TRUE POINT OF BEGINNING; THENCE ALONG SAID LINE SOUTH 8° 07' 45" EAST 214.66 FEET TO THE TRUE POINT OF BEGINNING.

TOGETHER WITH THAT PORTION OF THAT CERTAIN STRIP OF LAND DESIGNATED AS "FUTURE STREET", (NOW COFFIELD AVENUE), AS SHOWN AND DEDICATED UPON THE MAP OF SAID TRACT NO. 13248 AND VACATED BY ORDINANCE NO. 1570 OF THE CITY COUNCIL OF SAID CITY, A COPY OF WHICH RECORDED JANUARY 22, 1970 AS INSTRUMENT NO. 3202, OF OFFICIAL RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF TRACT NO. 11579 PER MAP BOOK 211 PAGES 7 AND 8 AS RECORDED ON SAID TRACT NO. 13278; THENCE NORTH 33° 39' 40" EAST 30.76 FEET; THENCE SOUTH 43° 35' 30" EAST 8.23 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ON LAST MENTIONED BEARING 14.79 FEET; THENCE SOUTH 70° 51' 37" EAST 17.76 FEET TO A POINT IN A LINE PARALLEL WITH AND DISTANT NORTHERLY 28 FEET MEASURED AT RIGHT ANGLES FROM THE CENTERLINE OF SAID "FUTURE STREET" (KNOWN AS COFFIELD AVENUE) HAVING A BEARING OF NORTH 81° 52' 15" EAST; THENCE NORTH 81° 52' 15" EAST 170.66 FEET TO A TANGENT CURVE CONCAVE TO THE NORTHWEST, SAID CURVE HAVING A RADIUS OF 40 FEET AND A DISTANCE OF 31 02 FEET; THENCE ALONG SAID CURVE TO THE NORTHERLY LINE OF SAID "FUTURE STREET" (KNOWN AS COFFIELD AVENUE); THENCE SOUTH 81° 52' 15" WEST 207.78 FEET, THENCE NORTH 70° 51' 37" WEST 17.76 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION OF SAID STRIP WHICH LIES WESTERLY OF THE SOUTHERLY PROLONGATION OF THE ABOVE DESCRIBED LINE HAVING A BEARING OF NORTH 8° 07' 45" WEST AND A DISTANCE OF 160.73 FEET.

ATTACHMENT "A-1"
[LEGAL DESCRIPTION OF MAIN PORTION OF PROPERTY]
(Page 2 of 3)

(2 OF 3)

TOGETHER WITH LOT 4 OF TRACT NO. 13248, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 273 PAGES 38 AND 39 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH THAT PORTION OF LOT 5 OF TRACT NO. 13248, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 273 PAGES 38 AND 39 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THAT PORTION OF THE RANCHO SAN FRANCISQUITO, IN SAID CITY, COUNTY AND STATE, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHEASTERLY LINE OF SAID LOT 5 WITH THE SOUTHERLY LINE OF THAT CERTAIN STRIP OF LAND 80 FEET WIDE SHOWN ON SID MAP OF TRACT NO. 13248, AS "FUTURE STREET"; THENCE ALONG SAID SOUTHERLY LINE, SOUTH 81° 52' 15" WEST 60 FEET; THENCE PARALLEL WITH SAID SOUTHEASTERLY LINE, SOUTH 44° 54' 00" WEST 141.31 FEET TO THE SOUTHWESTERLY LINE OF SAID LOT 5; THENCE ALONG SAID SOUTHWESTERLY LINE AND ITS SOUTHEASTERLY PROLONGATION, SOUTH 43° 35' 30" EAST 141.21 FEET TO THE NORTHERLY LINE OF THE 80 FOOT STRIP OF LAND CONVEYED TO THE LOS ANGELES INTER-URBAN RAILWAY COMPANY BY DEED RECORDED IN BOOK 3087 PAGE 256 OF DEEDS, RECORDS OF SAID COUNTY; THENCE EASTERLY ALONG SAID NORTHERLY LINE TO A LINE PARALLEL WITH AND DISTANT SOUTHWESTERLY 30 FEET, MEASURED AT RIGHT ANGLES FROM THE SOUTHWESTERLY LINE OF THAT CERTAIN ALLEY, 25 FEET WIDE AS SHOWN ON THE MAP OF VILLMAR TRACT RECORDED IN BOOK 12 PAGE 171 OF MAPS, RECORDS OF SAID COUNTY; THENCE NORTHWESTERLY ALONG SAID PARALLEL LINE TO THE SOUTHEASTERLY LINE OF SAID TRACT NO. 13248; THENCE ALONG SAID SOUTHEASTERLY LINE, SOUTH 44° 54' 00" WEST TO THE MOST EASTERLY CORNER OF SAID LOT 5; THENCE ALONG THE NORTHEASTERLY LINE OF SAID LOT 5, NORTH 46° 06' 20" WEST 255.63 FEET TO A LINE WHICH BEARS NORTH 8° 07' 45" WEST FROM A POINT IN THE NORTHERLY LINE OF SAID 80 FOOT STRIP, SHOWN ON SAID MAP OF TRACT NO. 13248, AS "FUTURE STREET"; SAID POINT BEING DISTANT THEREON SOUTH 81° 52' 15" WEST 140.00 FEET FROM SAID SOUTHEASTERLY LINE OF SAID LOT 5; THENCE SOUTH 8° 07' 45" EAST 214.66 FEET TO SAID LAST MENTIONED NORTHERLY LINE; NORTH 81° 52' 15" EAST 140.00 FEET TO SAID SOUTHEASTERLY LINE OF SAID LOT 5; THENCE ALONG SAID SOUTHEASTERLY LINE, SOUTH 44° 54' 00" WEST 133.02 FEET TO THE POINT OF BEGINNING.

EXCEPT THE MOST SOUTHERLY 20 FEET OF SAID LAND AS CONVEYED TO LOS ANGELES ROCK AND GRAVEL COMPANY BY DEED RECORDED IN BOOK 4032 PAGE 178 OF OFFICIAL RECORDS OF SAID COUNTY.

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ATTACHMENT "A-1"
[LEGAL DESCRIPTION OF MAIN PORTION OF PROPERTY]
(Page 3 of 3)
(3 OF 3)

ALSO TOGETHER WITH THAT PORTION OF THAT CERTAIN STRIP OF LAND DESIGNATED AS "FUTURE STREET" 80 FEET WIDE, (NOW COFFIELD AVENUE), AS SHOWN AND DEDICATED UPON THE MAP OF SAID TRACT NO 13248, AND VACATED BY ORDINANCE NO 1570 OF THE CITY COUNCIL OF SAID CITY, A COPY OF WHICH RECORDED JANUARY 22, 1970, AS INSTRUMENT NO 3202, OF OFFICIAL RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:
BEGINNING AT THE MOST SOUTHERLY CORNER OF LOT 5 OF SAID TRACT NO 13248, THENCE NORTH 43° 35' 30" WEST 140.43 FEET TO THE TRUE POINT OF BEGINNING, THENCE NORTH 36° 52' 15" EAST 16.97 FEET TO A POINT IN A LINE PARALLEL WITH AND DISTANT SOUTHERLY 28 FEET MEASURED AT RIGHT ANGLES FROM THE CENTERLINE OF SAID FUTURE STREET (KNOWN AS COFFIELD AVENUE) HAVING A BEARING OF NORTH 81° 52' 15" EAST; THENCE NORTH 81° 52' 15" EAST 157.05 FEET TO A TANGENT CURVE CONCAVE TO THE SOUTHWEST SAID CURVE HAVING A RADIUS OF 40 FEET AND A DISTANCE OF 31.02 FEET, THENCE ALONG SAID CURVE TO THE SOUTHERLY LINE OF SAID FUTURE STREET KNOWN AS COFFIELD AVENUE), THENCE SOUTH 81° 52' 15" WEST TO THE TRUE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION OF SAID STRIP WHICH LIES SOUTHWESTERLY OF THE NORTHEASTERLY PROLONGATION OF THE ABOVE DESCRIBED LINE HAVING A BEARING OF SOUTH 44° 54' 00" WEST AND A LENGTH OF 141.31 FEET.

ALSO TOGETHER WITH THAT PORTION OF THAT CERTAIN STRIP OF LAND DESIGNATED AS "FUTURE STREET" 80 FEET WIDE, (NOW COFFIELD AVENUE), AS SHOWN AND DEDICATED UPON THE MAP OF SAID TRACT NO 13248, AND VACATED BY ORDINANCE NO 1420 OF THE CITY COUNCIL OF SAID CITY, A COPY OF WHICH RECORDED MAY 20, 1960, AS INSTRUMENT NO 2708, OF OFFICIAL RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHEASTERLY LINE OF LOT 5 OF SAID TRACT NO. 13248, THAT IS SOUTH 44° 54' WEST 21.74 FEET FROM THE MOST EASTERLY CORNER OF SAID LOT 5; THENCE SOUTH 81° 52' 15" WEST 113.31 FEET TO THE POINT OF CUSP WITH A CURVE CONCAVE TO THE WEST AND HAVING A RADIUS OF 40.50 FEET WITH A RADIAL LINE THROUGH SAID POINT OF CUSP BEARING NORTH 0° 53' EAST; THENCE EASTERLY AND SOUTHEASTERLY ALONG SAID CURVE 88.36 FEET TO THE POINT OF INTERSECTION WITH SAID SOUTHEASTERLY LINE OF LOT 5; THENCE ALONG SAID SOUTHEASTERLY LINE OF LOT 5 NORTH 44° 54' EAST 113.31 FEET TO SAID POINT OF BEGINNING.

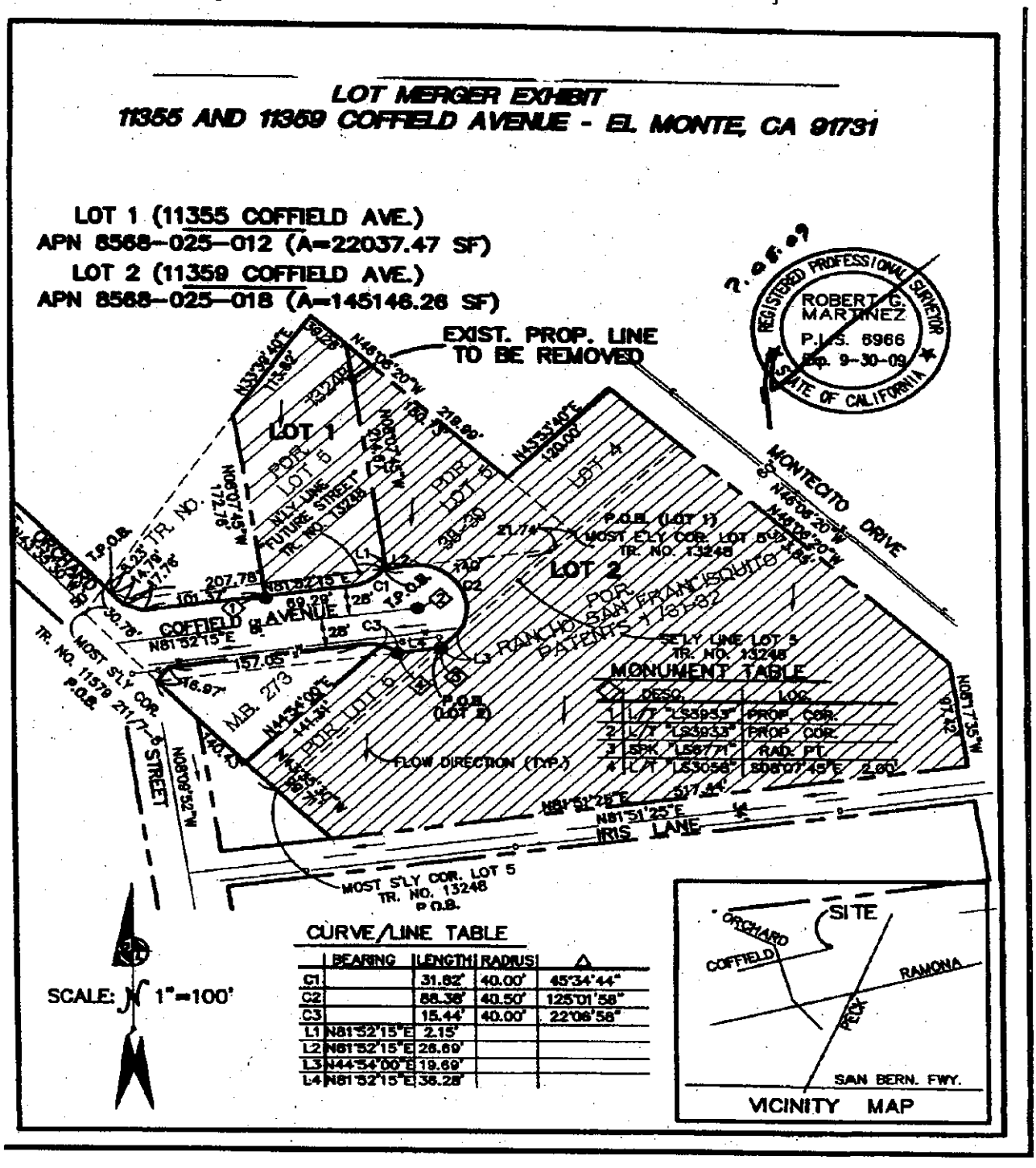
LOT 1 COMBINED WITH LOT 2 CONTAINS 167,183.73 SQUARE FEET, MORE OR LESS.

ALL AS SHOWN ON EXHIBIT "B" ATTACHED HERETO, AND BY REFERENCE, MADE A PART HEREOF.

LICENSED LAND SURVEYOR
ROBERTO GERRARDO MARTINEZ
Exp. 9-30-02
No. 6966
STATE OF CA

208.09

ATTACHMENT "B-1"
[DEPICTION OF MAIN PORTION OF THE PROPERTY]



ATTACHMENT "A-2"

[LEGAL DESCRIPTION OF VACATED AND INCORPORATED CUL DE SAC PORTION OF COFFIELD AVE]

LEGAL DESCRIPTION FOR PORTION OF COFFIELD AVENUE TO BE VACATED

A PORTION OF THAT CERTAIN STRIP OF LAND DESIGNATED AS "FUTURE STREET" 80 FEET WIDE, (NOW COFFIELD AVENUE), OF TRACT NO. 13248, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS RECORDED IN BOOK 273 PAGES 38-38, INCLUSIVE, AND AS VACATED BY ORDINANCE NO 1570 OF THE CITY COUNCIL OF SAID CITY, A COPY OF WHICH RECORDED JANUARY 22, 1970, AS INSTRUMENT NO 3202, OF OFFICIAL RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WESTERLY LINE OF SAID LOT 5, DISTANT NORTHWESTERLY THEREON, 36.10 FEET FROM THE MOST SOUTHERLY CORNER OF SAID LOT 5; THENCE NORTH 43° 35' 30" WEST 140.33 FEET; THENCE NORTH 36° 52' 15" EAST 16.97 FEET TO A POINT IN A LINE PARALLEL WITH AND DISTANT SOUTHERLY 28 FEET MEASURED AT RIGHT ANGLES FROM THE CENTERLINE OF SAID FUTURE STREET (KNOWN AS COFFIELD AVENUE) HAVING A BEARING OF NORTH 81° 52' 15" EAST, THENCE NORTH 81° 52' 15" EAST 157.05 FEET TO A TANGENT CURVE CONCAVE TO THE SOUTHWEST SAID CURVE HAVING A RADIUS OF 40 FEET; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 23 DEGREES 27' 27", AN ARC DISTANCE OF 16.38' FEET TO A POINT ON A LINE WHICH IS PARRALLEL WITH AND 36.09 FEET NORTHWESTERLY FROM THE SOUTHERLY LINE OF SAID LOT 5; SAID POINT ALSO BEING THE **TRUE POINT OF BEGINNING**; THENCE NORTH 08 DEGREES 07' 45" WEST 62.64 FEET TO A NON-TANGENT CURVE, CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 40 FEET, AND FROM WHICH A RADIAL LINE BEARS NORTH 31 DEGREES 41' 10" WEST; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 22 DEGREES 00' 58", AN ARC DISTANCE OF 15.37 FEET TO THE NORTHERLY LINE OF SAID 80 FOOT WIDE STRIP; THENCE ALONG THE NORTHERLY LINE OF SAID 80 FOOT WIDE STRIP, NORTH 81 DEGREES 52'15" EAST 28.84 FEET TO A TANGENT CURVE, CONCAVE TO THE WEST, AND HAVING A RADIUS OF 40.50 FEET; THENCE SOUTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 125 DEGREES 02' 07", AN ARC DISTANCE OF 88.38 FEET TO THE SOUTHERLY LINE OF SAID TRACT NO. 13248; THENCE ALONG SAID SOUTHERLY LINE SOUTH 44 DEGREES 54' 00" WEST 19.69 TO THE INTERSECTION OF SAID SOUTHERLY LINE WITH THE SOUTHERLY LINE OF SAID 80 FOOT STRIP; THENCE ALONG THE SOUTHERLY LINE OF SAID 80 FOOT STRIP SOUTH 81DEGREES 52' 15" WEST 36.28 FEET TO A NON-TANGENT CURVE, CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 40 FEET, AND FROM WHICH A RADIAL LINE BEARS SOUTH 37 DEGREES 26' 38" WEST; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 22 DEGREES 06' 56", AN ARC DISTANCE OF 15.44 FEET TO THE TRUE POINT OF BEGINNING.

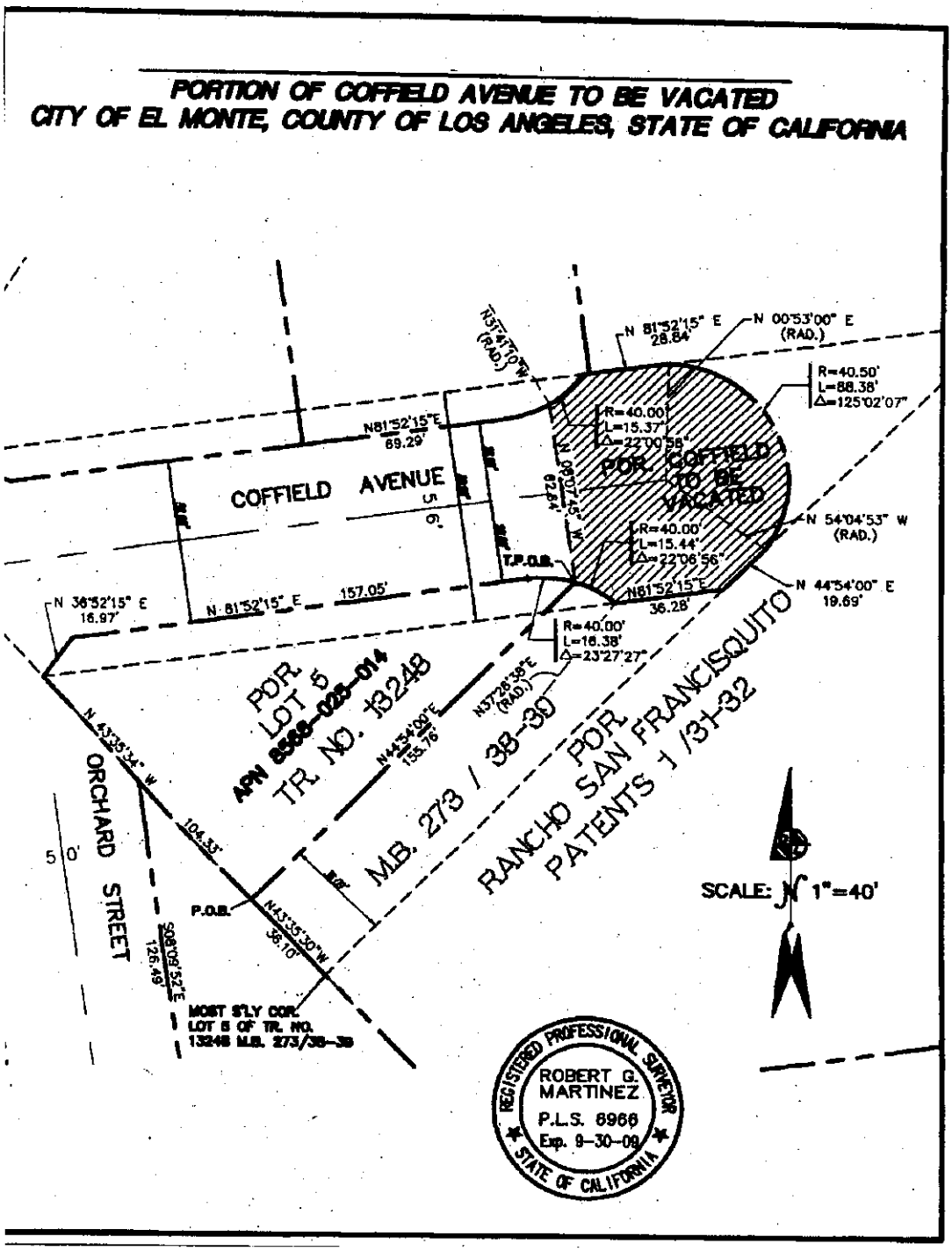
SAID PORTION OF COFFIELD AVENUE CONTAINS 5,259.20 SQUARE FEET, MORE OR LESS.

ALL AS SHOWN ON EXHIBIT "B" ATTACHED HERETO, AND BY REFERENCE MADE A PART HEREOF.

LICENSED LAND SURVEYOR
ROBERTO GERRARDO MARTINEZ
Exp. 9.30.07
No. 6966
STATE OF CALIFORNIA

ATTACHMENT "B-2"

[DEPICTION OF VACATED AND INCORPORATED CUL DE SAL PORTION OF COFFIELD AVE]



ATTACHMENT "C"
[PLANNING COMMISSION RESOLUTION]

RESOLUTION NO. 3157

A RESOLUTION OF THE CITY PLANNING COMMISSION OF THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, RECOMMENDING TO THE CITY COUNCIL APPROVAL OF GENERAL PLAN AMENDMENT NO. 01-08 AND ZONE CHANGE NO. 01-08 AND CERTIFICATION OF A MITIGATED NEGATIVE DECLARATION AND APPROVING CONDITIONAL USE PERMIT NO. 06-08 AND DESIGN REVIEW NO. 03-08 FOR THE EXPANSION OF AN EXISTING CHURCH LOCATED AT 11355 COFFIELD AVENUE, EL MONTE, CALIFORNIA.

The City Planning Commission of the City of El Monte, County of Los Angeles, State of California, does hereby find, determine and resolve as follows:

SECTION 1. That on May 14, 2008, Our Lady of Guadalupe Catholic Church, 11359 Coffield Avenue, El Monte, California, 91731, filed the following entitlement requests: a General Plan Amendment to change the General Plan land use designation for three land parcels from Medium/Low Density Residential to Neighborhood Commercial; a Zone Change for four land parcels from R-3 (Medium Density Multiple Family) and R-4 (High Density Multiple Family) to C (Commercial); a Conditional Use Permit for the expansion of an existing church facility; and a Design Review for the site configuration and architectural design of a new 5,687 multi-purpose building. This request is made pursuant to Chapters 17.22 and 17.26 and Section 17.24.040(19) of the El Monte Municipal Code. The project site is located generally at 11355 Coffield Avenue, El Monte, California, specifically described as follows, to-wit:

APN(s): 8568-025-018; -012; 8565-031-003; 8568-034-930

Pursuant to which after due notice as required by law, a public hearing was held to consider the General Plan Amendment, Zone Change, Conditional Use Permit, and Design Review before this Commission on September 9, 2008 at which time, all interested persons were given full opportunity to be heard and present evidence. At that meeting, the Planning Commission voted 2-1-2 (Wolsdorf – No; Garner, Macias - Absent) to approve the Conditional Use Permit and Design Review and to recommend approval of the General Plan Amendment and Zone Change and the adoption of a Mitigated Negative Declaration to the City Council.

SECTION 2. That the project site is located north of Ramona Boulevard, east of Orchard Avenue, south of Pine Avenue, and west of Montecito Drive. The project includes four land parcels, three under the ownership of the applicant and one under the ownership of the City of El Monte, that together measure 210,991 square feet in size. The property is improved with a church and various ancillary structures. The existing zoning and land uses of the surrounding properties are as follows:

1

North: R-3 & R-4; Residential
South: M-1; Manufacturing
East: R-3; Residential
West: R-4; Residential

SECTION 3. That staff has conducted the appropriate environmental analysis in compliance with the requirements of the California Environmental Quality Act (CEQA), and based on that assessment, the proposed amendment would have a less than significant effect on the environment with appropriate mitigation measures, and accordingly the City has prepared a Mitigated Negative Declaration for adoption by the City Council.

SECTION 4. That the existing General Land Use designation for the properties identified as Assessor's Parcel Numbers 8568-025-018, 8568-025-012, and 8565-031-003 is Medium/Low Density Residential. State law requires that the underlying General Plan land use designation and implementing zoning be consistent. Currently the land use designation and implementing zone are consistent. However, the existing use of the site and the proposed project are inconsistent with both the land use designation and the zoning classification. To ensure consistency between the existing use and the land use and zoning designations for the site, it is good planning practice to amend the general plan land use designation and change the implementing zone. The General Plan Amendment will amend the 1991 El Monte General Plan to change the land use designation for these three parcels to Neighborhood Commercial, which is consistent with the existing use of the subject properties. The City owned parcel identified as Assessor's Parcel Number 8568-034-930 has a land use designation of Downtown Core, which will not change as part of this proposal. With the General Plan Amendment, the proposed development will be consistent with the goals and policies of the 1991 El Monte General Plan.

SECTION 5. That the Planning Commission finds the General Plan Amendment and the Zone Change are necessary to reclassify the land use designation for the three parcels identified as Assessor's Parcel Numbers 8568-025-018, 8568-025-012, and 8565-031-003 from Medium/Low Density Residential to Neighborhood Commercial, and to change the zoning designation of the four parcels the four parcels identified as Assessor's Parcel Numbers 8568-025-018, 8568-025-012, 8565-031-003, and 8568-034-930 from R-3 (Medium Density Multiple Family) and R-4 (High Density Multiple Family) to C (Commercial). The Planning Commission also finds that the proposed General Plan Amendment and Zone Change are appropriate because they maintain compatibility with the adjacent commercial zones and uses but are still sensitive to existing residential land uses. By acting as a buffer between more intense

commercial and industrial uses to the south and residential uses to the north, the proposed amendment and zone change would fulfill the General Plan goal of maintain a balanced and diversified distribution of land uses throughout the City. Furthermore, the Planning Commission finds that proposed amendment and zone change would eliminate any inconsistencies between the land use designation, zoning classification, and usage of the affected properties without altering or negligibly impacting the character of the surrounding neighborhood. Therefore, the Planning Commission finds the General Plan Amendment and Zone Change are necessary for promoting the public convenience and general welfare and are good planning practice and does hereby recommend approval of the General Plan Amendment and Zone Change to the City Council.

SECTION 6. That all necessary findings for the granting of Conditional Use Permit No. 06-08 pursuant to Section 17.24.050 of the El Monte Municipal Code can be made in a positive manner and are as follows:

A. The granting of such conditional use permit will not be detrimental to the public health or welfare or be injurious to the property or to improvements in such zone or vicinity;

Finding of Fact:
The proposed use has been determined to have a less than significant effect on the environment with the incorporation of appropriate mitigation measures. Other agencies responsible for the review and issuance of permits and approvals will ensure that the proposed project complies with their individual requirements so the use will not be detrimental to the public health, safety or welfare nor will it be materially injurious to the properties or to improvements in the vicinity. Therefore, granting of the conditional use permit will not be detrimental to the public health or be injurious to the property or to improvements to such zones and facilities.Conditions of approval have been imposed to ensure that the proposed project will not negatively impact the surrounding properties or land uses in the area. With these conditions, the proposed project is compatible to the surrounding residential; therefore, the granting of the Conditional Use Permit will not be detrimental to the public health or welfare or be injurious to the property or to improvements in such zone.

B. The use applied for at the location indicated is properly one for which a conditional use permit is authorized;

Finding of Fact:
Pursuant to Section 17.24.040(19) of the El Monte Municipal Code, the proposed expansion of an existing religious facility is permitted upon approval of a Conditional Use Permit.

C. The site for the proposed use is adequate in size and shape to accommodate such use; and that all yards, spaces, walls, fences, parking, loading, landscaping, and other features required to adjust such use with the land and uses in the neighborhood are provided,

Finding of Fact:
Staff analysis, site plan review and input from other Community Development Divisions assures compliance with these requirements. Additionally, prior to the issuance of a Certificate of Occupancy, the applicant will be required to submit a parking plan to the Planning Services Manager for review and approval to ensure compliance with all applicable parking and site development requirements.

D. The site abuts streets and highways adequate in width and pavement type to carry the kind of traffic generated by the proposed use;

Finding of Fact:
The site is served by Coffield Avenue, Montecito Drive, and Orchard Avenue, which fulfill the standard design requirements for their classification. The project is an expansion of an existing use that in itself will not significantly generate additional traffic to the site. No impacts are anticipated to the on-site circulation pattern, and approval of the Conditional Use Permit would have a minimal impact on the existing roadway system.

E. The granting of such conditional use permit will not adversely affect the purpose, goals and policies of the city of El Monte general plan.

Finding of Fact:
The proposed General Plan land use designation of the subject property is Neighborhood Commercial (0.5 FAR). The project, as proposed, has an FAR of 3
0.25, which is below the maximum FAR established for this land use designation. The church site will be consistent with the 1991 El Monte General Plan provided that a General Plan Amendment and Zone Change are both approved. The granting of the Conditional Use Permit will not adversely affect the purpose, goals, and policies of the 1991 El Monte General Plan.

SECTION 7. That all the necessary findings for the granting of the Design Review pursuant to Section 17.22.060 can be made in a positive manner and are as follows:

A. The granting of the design review request will not be detrimental to the public health or welfare or injurious to the property or improvements in such zone or vicinity;

Finding of Fact:
The proposed multi-purpose building is consistent with the proposed General Plan Land Use designation of Neighborhood Commercial and the proposed implementing C zoning. Additionally, before the issuance of City development permits and/or a Certificate of Occupancy, the project is required to comply with all conditions set forth in the resolution of approval and the Building and Safety Division, Engineering/Public Works Division, and Fire Department requirements. The referenced agencies through the permit and inspection process will ensure that the proposed project will not be detrimental to the public health, safety or welfare nor will it be materially injurious to the properties or improvements in the vicinity. Therefore, granting of the design review approval will not be detrimental to the public health or be injurious to the property or to improvements in such zone and vicinity.

B. The design of the proposed project would provide a desirable environment for its occupants and visiting public as well as its neighbors through good aesthetic use of materials, textures, and colors that remain appealing and will retain a reasonably adequate level of maintenance.
Finding of Fact:
The building and site design, materials, and colors proposed for this project are consistent with industry standards for this type of building and use and will remain appealing with reasonable maintenance.

C. The design and layout of the proposed project would not unreasonably interfere with the use and enjoyment of neighboring existing or future development, and will not result in vehicular and/or pedestrian hazards.

Finding of Fact:
The project has been designed to meet or exceed all applicable development standards, which include, but are not limited to, floor area ratio, setbacks, height, landscaping, parking, on-site circulation and ingress/egress. Furthermore, staff's analysis, site plan review, and conditions from other City Divisions and Departments assure compliance with these requirements.

D. The architectural design of the proposed project is compatible with the character of the surrounding neighborhood and the provisions of this chapter and the general plan contemplate harmonious, orderly and attractive development.

Finding of Fact:
The proposed design uses complimentary building materials that are timeless and allow for a continuous compatible and aesthetically pleasing environment. Therefore, the proposed development will facilitate the City's General Plan goal of focusing attention on rebuilding and revitalizing older sections of the community.

E. The landscape considerations including the location, type, size and coverage of plant materials, provisions for irrigation, maintenance and protection of landscaped areas, have been provided to insure visual relief, to complement buildings and structures and to provide an attractive environment.

Finding of Fact:
The landscaping is balanced in and around the site with special attention focused on the entrance to the site and adjacent to the new multi-purpose building. The new landscaping will provide an attractive environment for both the parishioners and onsite staff.

SECTION 8. That the City Planning Commission recommends to the City Council adoption of a Mitigated Negative Declaration pursuant to State CEQA Guidelines and recommends approval of General Plan Amendment No. 01-08 and Zone Change No. 01-08 to the City Council subject to the following conditions:

1. All mitigation measures contained in the Mitigation, Monitoring, and Reporting Program prepared for 11355 Coffield Avenue are hereby incorporated and made a part of the conditions of approval.

2. That all conditions of approval for Conditional Use Permit No. 06-08 and Design Review No. 03-08 shall be complied with.

SECTION 9. That the City Planning Commission does hereby approve Conditional Use Permit No. 06-08 and Design Review No. 03-08 subject to the following conditions:

3. The project shall substantially conform to the development plans (site, floor, elevation, landscape, signs, lighting, etc...) on file with the City Planning Division and as presented to the Planning Commission on September 9, 2008, and as amended herein.

4. The approval as contained herein shall be effective for a period of one hundred and eighty (180) days from the date of final approval by the City Planning Commission; provided however, that prior to such date, building permits or a time extension shall have been obtained from the City.

5. A copy of the approving resolution shall be printed or attached to the development plans (site, floor, elevation, landscape, signs, lighting, etc...) that are to be submitted during the plan check process.

6. All City and LA County Fire Department standards and conditions shall be implemented prior to final inspection and prior to occupancy of the building.

7. By acceptance of the approval of the project by the City, the applicant shall defend, indemnify, and hold harmless the City and its agents, officers, and employees from any claim, action, or proceeding against the City or its agents, officers, and employees to challenge, set aside, void or annul the approval of the project from an action which may be brought within the time period provided for such actions or challenges under applicable law. The City shall promptly notify the applicant of any claim, action, or proceeding and the City shall cooperate in any such defense.

8. All trash and refuse (i.e. solid waste) shall be disposed of in dumpsters or other like containers; and all such waste shall be removed from the premises on a routine basis, as provided under Chapter 8.20 of the El Monte Municipal Code, by a solid waste hauler duly franchised to provide such service to the property. Pending completion of all construction activities upon the property; surplus construction materials shall be stored so as to be screened from view when not actually in used. All construction and demolition debris shall be removed from the property in compliance with Chapter 8.20 of the El Monte Municipal Code. The removal of all solid waste arising out of the construction and demolition process shall be undertaken by a duly franchised solid waste hauler authorized to provide solid waste services for construction and demolition projects within the City of El Monte. The removal of all other wastes from the property shall be undertaken by a duly franchised solid waste hauler authorized to provide solid waste services to commercial properties within the City of El Monte.

    a. Prior to the issuance of a Building Permit, the applicant shall submit to the Building Safety Division, the Environmental Services Division and the City Code Enforcement Division, the name and contact information for the contracted waste hauler. It shall be the applicant's obligation to insure that the waste contractor utilized has obtained permits from the City of El Monte to provide such services.
    b. Prior to final approval for occupancy, and in addition to any other requirements set forth under the El Monte Municipal Code or by the Chief Building Official, the applicant shall submit to the Building and Safety Division, the receipt(s) showing evidence that the waste and debris generated during the construction process were properly disposed.
    c. Except as otherwise authorized pending the completion of the construction and demolition activities authorized under this resolution, solid waste containers and bulky items may not be stored or maintained at locations designated for parking and must be maintained in those locations designated for the temporary storage of solid waste and bulky items.

9. The site and the public R.O.W. adjacent to any portions of the site, shall be kept free of weeds, trash, or other debris, and that abandoned vehicles be promptly reported, pursuant to the Municipal Code and Los Angeles County Fire and Health Codes at all times.

10. Prior to commencing demolition and site preparation activities, the project site shall be secured with a fence to prevent unauthorized access to the site and the fence shall contain a screening material to screen construction activities from view. The temporary screening fence shall be installed to the satisfaction of the Planning Services Manager and shall be maintained in top conditions (free of tears, holes, crack lines, debris, etc) at all times. For public safety purposes, at the primary entrance to the site, the screening material shall be reduced to a maximum height of 4 feet to provide visibility into the site at all times.

11. Prior to the demolition of any existing property line walls and/or fences and construction of a new property line concrete block wall(s), the applicant shall coordinate and obtain approval from neighboring property owner(s) to remove any existing wall(s) and/or fence(s). Such evidence shall be submitted to the Planning Division for review and approval.

12. Prior to constructing a perimeter (property line) fence or wall, the applicant shall submit to the Engineering and Planning divisions a copy of the property survey conducted by a licensed land surveyor showing the locations of property lines, all existing structures on the property, and all structures within 15 feet of the property line on all adjoining properties.

13. Graffiti must be removed from any interior/exterior surfaces to the structures and improvements on the property within 24 hours following the application the application of the graffiti. Graffiti shall be removed by either painting over the evidence of such vandalism with a paint that has been color-matched to the surface to which it is applied or graffiti may be removed with solvents or detergents, as appropriate.

14. Prior to the commencement of construction on the site, the developer shall be responsible for the scheduling of a pre-construction meeting between the general superintendent or field representative and the Planning Services Manager to discuss the approved plans and construction requirements.

15. The applicant and project construction manager shall be required work with City Staff to identify all public and private schools within a 1000-foot radius from the project site. The applicant/construction manager shall be required to contact all identified schools to notify the principal of the school about the proposed project, construction periods, and planned trucking routes, and to also coordinate trucking activities to and from the site. Trucking deliveries and pickups from the project site shall be prohibited during the periods identified by a school within the radius and during peak hours when children are coming to or leaving the school. Additionally, all project site located within this specified radius shall be required to maintain one onsite flag personnel to direct trucking activities coming to and leaving the site during all phases of project construction and until the project has received final approval. The applicant shall be required to submit to the Planning Division a written letter showing evidence that this condition has been satisfied prior to issuance of a building permit.

16. The applicant shall be required to submit to the Planning Division for review and approval of a detailed landscape/irrigation plan for the site and in the public parkway. The plan must be prepared by a state licensed architect and shall provide for a variety of grasses and ground cover, flowering plants, and shrubs and trees. An automatic timed underground irrigation system shall be installed and maintained for each area.

17. The applicant shall save as many mature trees as possible, especially in the front and side yard setback areas. The developer shall have a meeting with the Planning Services Manager prior to any grading on the site.

18. Any mature trees that will be removed from the property as a result of the development shall be replaced by installing three 48" box trees for every mature tree that is removed. The type and location shall be reviewed and pre-approved by the Planning Services Manager.

19. 6" X 6" decorative concrete curb/mow strips shall be constructed for all landscaped planters on the property. All landscaping and irrigation shall be installed prior to the issuance of a Certificate of Occupancy.

20. The applicant shall submit a design for the onsite trash enclosure(s) for review and approval by the Planning Services Manager during the plan check process. The design will be reviewed for aesthetic values and use of quality materials.

21. The applicant shall submit a plan depicting the location of above ground utility appurtenances, the exact location of the equipment shall be approved by the Planning Services Manager. They shall not be allowed within the parking, turnaround and landscape areas.

22. All public bathrooms shall incorporate automatic flushing valves for all facilities.

23. The applicant shall submit for review by the Planning Services Manager, the design and specifications for all proposed exterior site lighting fixtures. The fixtures shall be reviewed for quality, aesthetics, illumination values, and shall be decoratively and architecturally consistent with the building design. An on-site lighting system shall be provided in all parking areas, vehicular access ways and along major walkways. The number, location, height, style and design shall be reviewed and approved by the Planning Division prior to installation. The exterior lighting systems shall be wired to one common circuit with an automatic timer/photo sensor system to go off at sunset and go on at sunset. The minimum exterior lighting intensity shall be in compliance with local ordinances at the time of the approval of the development plans. Lighting fixtures shall be an energy saving type, be shielded to direct light away from all neighboring uses, and be equipped with vandal resistant covers.

24. All business activities and all storage shall take place within the confines of the building. There shall be no outdoor display, advertisement, merchandizing, debris, and storage of containers and inoperable vehicles at any time.

25. All onsite parking spaces shall be accessible and free of obstructions and can only be used for parking of operable vehicles at all times; the assignment of parking spaces is prohibited.

26. If requested by the Fire Department and/or City of El Monte the applicant shall post signs on the fire lane stating: "No parking on Fire Lane: Violating Vehicles will be towed way at owners expense per CV 22658 EMMC 3219 EMPD 580-2110". All safety and directional signs shall incorporate a porcelain finish and meet Public Works Division Standards.

27. During the construction process all related activities, including but not limited to, loading, unloading, storage of equipment and materials, and parking of employee vehicles are prohibited. All such activities shall only be conducted on the project site and not in the public R.O.W.

28. Only monument type signs (freestanding sign not exceeding four feet in height) may be approved on the property. The design shall be submitted for review and approval by the Planning Services Manager. Freestanding pole signs are prohibited.

29. That the applicant shall execute a performance bond with the City of El Monte in the amount of $50,000. This performance bond will mandate that all parking and circulation improvements shall be completed within a period of five years from the issuance of building permits for the multi-purpose building located at 11355 Coffield Avenue, El Monte, California. If the proposed parking and circulation improvements are not completed within the specified timeframe, the applicant shall forfeit the bond.

30. That the residential living quarters are for the exclusive use of the clergy serving the adjacent Church and that the rooms contained therein shall not be rented or leased separately or collectively to any other persons.

31. The property owner shall draft a maintenance covenant agreement for review and approval by the City Attorney. Upon approval, this covenant shall be executed, recorded, and be complied with at all times. This covenant may be modified upon concurrence by the property owner and the City as needed to insure the continued and proper maintenance of the site and of the development. The covenant shall include, but is not limited to, the following issues:

    a. Continued maintenance of all onsite improvements per City Standards (i.e. exterior paint, parking striping, lighting fixtures, perimeter wall and fencing; etc...);
    b. All onsite improvements shall be in compliance with applicable development standards at all times (i.e. signage, perimeter wall and fencing, access gates, etc...);
    c. Proper disposal of trash and debris;
    d. Maintain planters and onsite recreational areas in a clean and manicured condition at all times;
    e. The conditions of the covenant are enforceable upon the property owner or tenant of the property or both; and
    f. The City shall have the ability to recover the full cost of the enforcement action from the property owner or tenant by recording a lien on the property.

SECTION 10. That the Secretary of the City Planning Commission of the City of El Monte, California, shall certify to the adoption of this resolution and shall cause a copy of the same to be forwarded to the applicants.

Richard Garner, Chairperson

ATTEST:

Bertha Mejia, Secretary

El Monte City Planning Commission

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF EL MONTE)

I, BERTHA MEJIA, Secretary of the Planning Commission of the City of El Monte, California, do hereby certify that the above and foregoing is a full, true and correct copy of Resolution No. 3157 adopted by the Planning Commission of the City of El Monte, at a regular meeting by said Commission held on September 23, 2008, by the following votes, to-wit:

AYES: PATEL, ZAPATA

NOES:

ABSTAIN: CHING, GARNER, MACIAS

ABSENT:

Bertha Mejia

Bertha Mejia, Secretary

ATTACHMENT "D"
[CITY COUNCIL ORDINANCE]

ORDINANCE NO. 2733

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, APPROVING GENERAL PLAN AMENDMENT NO. 01-08 TO CHANGE THE GENERAL PLAN DESIGNATION OF CERTAIN LAND PARCELS FROM MEDIUM/LOW DENSITY RESIDENTIAL TO NEIGHBORHOOD COMMERCIAL AND ZONE CHANGE NO. 01-08 TO CHANGE THE ZONING CLASSIFICATION OF CERTAIN LAND PARCELS FROM R-3 AND R-4 TO C AND ADOPTING A MITIGATED NEGATIVE DECLARATION FOR THE PROPERTY LOCATED AT 11355 COFFIELD AVENUE, EL MONTE, CALIFORNIA.

WHEREAS, the City Council finds that it is necessary and appropriate to amend the existing General Plan land use designation of three land parcels and change the zoning designation of four land parcels in the City to promote and protect the public health, safety, and welfare through insuring the orderly development of properties in the City to be compatible and consistent with the context the surrounding residential neighborhoods and that the proposed General Plan Amendment and Zone Change are a public necessity, are for the public's convenience and general welfare, and are good planning practice in that the General Plan Amendment and Zone Change will provide for consistency among the existing land uses in the area.

The City Council of the City of El Monte, County of Los Angeles, State of California, does hereby find, determine and ordain as follows:

SECTION 1. That on May 14, 2008, Our Lady of Guadalupe Catholic Church, 11359 Coffield Avenue, El Monte, California, 91731, filed the following entitlement requests: a General Plan Amendment to change the General Plan land use designation for three land parcels from Medium/Low Density Residential to Neighborhood Commercial; a Zone Change for four land parcels from R-3 (Medium Density Multiple Family) and R-4 (High Density Multiple Family) to C (Commercial); a Conditional Use Permit for the expansion of an existing church facility; and a Design Review for the site configuration and architectural design of a new 5,687 square foot multi-purpose building. This request is made pursuant to Chapters 17.22 and 17.26 and Section 17.24.040(19) of the El Monte Municipal Code. The project site is located generally at 11355 Coffield Avenue, El Monte, California, specifically described as follows, to-wit:

APN(s): 8568-025-018; -012; 8565-031-003; 8568-034-930

SECTION 2. That the project site is located within the corporate limits of the City of El Monte at 11355 Coffield Avenue. The project site is located north of Ramona Boulevard, east of Orchard Avenue, south of Pine Avenue, and west of Montecito Drive. The project includes four land parcels, three under the ownership of the applicant and one under the ownership of the City of El Monte, that together measure 210,991 square feet in size. The property is improved with a church and various ancillary structures. The existing zoning and land uses of the surrounding properties are as:

North: R-3 & R-4; Residential
South: M-1; Manufacturing
East: R-3; Residential
West: R-4; Residential

SECTION 3. That pursuant to due notice as required by law, a full and fair public hearing was held by the City Planning Commission on September 9, 2008, at which time, all interested persons were given full opportunity to be heard and present evidence. At that meeting, the Planning Commission, based upon consideration and review of the Staff Report and public input, voted 2-1-2 (Wolsdorf – No; Garner and Macias - Absent) to approve the Conditional Use Permit and Design Review and recommend that the City Council approve General Plan Amendment No. 01-08 and Zone Change No. 01-08 and adopt a Mitigated Negative Declaration.

SECTION 4. That pursuant to due notice as required by law, full and fair public hearings were held by the City Council on October 7, 2008, November 18, 2008, December 2, 2008, and January 20, 2009, at which times, all interested persons were given full opportunity to be heard and present evidence.

SECTION 5. That in accordance to the criteria and authority contained in the California Environmental Quality Act (CEQA) of 1970, and the CEQA Guidelines as amended, Staff has conducted the appropriate environmental analysis in compliance with the requirements of CEQA, and based on that assessment, there is evidence that with the incorporation of the recommended mitigation measures, the proposed amendment and zone change would have a less than significant effect on the environment, and accordingly the City has prepared a Mitigated Negative Declaration for adoption by the City Council.

SECTION 6. That the existing General Land Use designation for the properties identified as Assessor's Parcel Numbers 8568-025-018, 8568-025-012, and 8565-031-003 is Medium/Low Density Residential. State law requires that the underlying General Plan land use designation and implementing zoning be consistent. Currently the land use designation and implementing zone are consistent. However, the existing use of the site (a religious institution) and the proposed project are inconsistent with both the land use designation and the zoning classification. To ensure consistency between the existing use and the land use and zoning designations for the site, it is good planning practice to amend the general plan land use designation and change the implementing zone. The General Plan Amendment will amend the 1991 El Monte General Plan to change the land use designation for these three parcels to Neighborhood Commercial, which is consistent with the existing use of the subject properties. The City owned parcel identified as Assessor's Parcel Number 8568-034-930 has a land use designation of Downtown Core, which will not change as part of this proposal. With the General Plan Amendment, the proposed development will be consistent with the goals and policies of the 1991 El Monte General Plan.

SECTION 7. That the City Council continued the public hearing regarding this matter from the meetings of October 7, 2008, November 18, 2008, and December 2, 2008, to provide additional time for the applicant to meet with residents in the neighborhood to provide information about the project and to discuss the issues raised by residents at the public hearings regarding the impacts resulting from church activities in the neighborhood. Specific issues that were raised included spillover parking from the church onto streets in the neighborhood and blocking of access to private driveways, traffic congestion on local-street during church activities, noise emanating from

loud speakers, trash and debris in the neighborhood left behind by church attendees, and trespassing on private properties.

SECTION 8. That the applicant held a meeting on November 13, 2008, with area residents to provide information about the project and to obtain comments and concerns regarding church activities and the impacts to the neighborhood as well as to discuss the potential remedies. The meeting log and minutes have been submitted to the City and are attached as Exhibit "A" and "B" to this Ordinance. That Community Development staff has conducted field survey and monitoring of church activities on several Sundays during the months of November and December of 2008, and January of 2009. Examples of these incidents include the following: noise from a church mass emanating from loud speakers that were audible from a distance of over 550 (Pine and Orchard) feet from the source; debris such as paper plates, cups, chip bags, and flyers; traffic congestion on area streets and at intersections between masses; parking spillover into the residential neighborhoods from church goers. It was also observed that attendance of the masses exceeded the church's seating capacity and that people had to stand outside of the various entrances of the building to participate.

SECTION 9. That the applicant has met with Community Development staff to discuss possible mitigation measures for alleviating impacts to the neighborhood and has agreed to address the issues as follows:

1. Noise: The Parish will terminated the use of exterior speakers in front of the building.

2. Trash: The Parish intends to have a team of volunteers to check for, and remove, all trash on Coffield Street, Orchard Street from Ramona to Pine, Montecito for the full frontage of the church property, and Iris for the full frontage of the church property following each Mass held on Sundays. The Parish also intends to put out additional trash containers on Sundays, and attempt to limit the number of vendors.

3. Parking /Circulation:

   (a) The east section of the Parish parking area, fronting Montecito, will be restriped, which will add an additional 16 spaces, and the center gate will be permanently closed. Entrance only will be provided at the north corner of the property (currently the entry to the garage), and the southern exit will become exit only. This will improve circulation, which should result in faster parking, thus reducing blockage on Montecito.

   (b) The Parish is negotiating with, and intends to enter into an agreement with, the Laborers' Union Hall at the corner of Ramona & Lee to allow the Parish to use their parking lot on Sundays. This will provide 65 parking spaces.

   (c) The Parish is negotiating with, and intends to enter into an agreement with, the Knights of Columbus to allow the Parish to use their parking lot accessed via the alleyway between Lee & Stewart Street on Sundays. This will provide 115 parking spaces.

   (d) The Parish intends to negotiate a schedule with the City, for the repair and restriping of the parking areas, such that relatively small areas will be done, one at a time, in order not to exacerbate the parking problems by closing large sections at one time.

   (e) The Parish intends to provide volunteers wearing vests to control parking within its own property, give directions to (c) and (d) above including placing temporary signboards on the sidewalks indicating "CHURCH PARKING" with directional arrows to (c) and (d).

   (f) The Parish will create a flyer, for hand out on Sunday, requesting that all worshippers park in the provided areas, not park on streets, put trash in the containers, and generally behave as good neighbors.

   (g) Parking spaces will be marked out on either the north, or south, side (but not both) of Iris between Montecito and Orchard to provide an additional 19 parking spaces.

The total number of spaces resulting from the above is: 547 spaces. The parking provided in the original application was 295, which was already 31 above the number required by the Municipal Code.

4. Traffic:

(a) The City has agreed to review the length of time (on Sundays only) that the pedestrian crossing sign operates at Ramona & Orchard, in order to give families more time to cross Ramona from 3(c) and 3(d) above.

(b) The Parish intends (with City approval) to install a pedestrian sidewalk at the grass area between Ramona and Iris, east side of Orchard, so that pedestrians walking from 3(c) and 3(d) above have a sidewalk to the Parish property. This will be supplemented by a painted striped pathway diagonally through the triangular lot 3(b), thence through the children's play area, to the end of the Coffield cul-de-sac, providing the shortest, most direct route to the front of the church.

(c) The Parish, in the person of their Traffic Consultant, is talking with the City regarding minor re-striping on Montecito, Ramona and Iris, to improve traffic flow at the junction between all three.

(d) The Parish will pay for paint, to be applied under the Community Service program ordered by the Courts, to install red curbs 60" in length each side to private drives, starting on Montecito, Coffield, and Orchard, then moving outwards to Pine, Medina and Iris West as needed.

(e) The Parish, working closely with the City of El Monte, would pay for the extension of the raised median (2 feet in width) along Ramona Avenue to the west to approximately 40 feet west of Montecito Avenue center line at Ramona Avenue.

(f) Associated with that, the Parish would pay for restriping the southbound approach of Montecito Avenue to right-turns only by painting a directional island; and to post a traffic regulatory sign prohibiting left-turns

SECTION 10. That Staff has evaluated these measures and believes if implemented, the measures will have a positive impact on the existing condition. Staff believes that the church has made significant progress in reaching out to the community and is encouraging the parish to maintain its outreach efforts to improve communications and to provide a forum for addressing concerns.

SECTION 11. That the City Council has evaluated and considered the public comments received at the public hearings and the recommendation of the City Planning Commission and staff and does hereby acknowledge the receipt of the City Planning Commission staff reports and City Planning Commission Resolution No. 3157.

SECTION 12. That the City Council does hereby concur with the findings of the Planning Commission and the recommendations contained within the Planning Commission and City Council Staff reports and does hereby find that the additional recommended mitigation measures will have a positive impact on addressing neighborhood concerns regarding the operations of the church.

SECTION 13. To ensure consistency between the existing use and the land use and zoning designations for the site, it is good planning practice to amend the general plan land use designation and change the implementing zone.

SECTION 14. In furtherance of this stated goal, it is also necessary to ensure that zoning classifications are entirely consistent with General Plan land use designations. As this church facility was established well before the City enacted a code amendment permitting religious facilities only in commercial or industrial zones, it is deemed to be legal but non-conforming to current development standards due to its zoning classification and land use designation. A change in the zoning classification for the parcels involved would facilitate the expansion of the existing church but would not alter or negligibly impact the character of the surrounding neighborhood.

SECTION 15. That the City Council does find that it is a good planning practice to General Plan Amendment and Zone Change hereby adopt the Mitigated Negative Declaration pursuant to State CEQA Guidelines, as amended, and approve General Plan Amendment No. 01-08 and Zone Change No. 01-08 subject to the following conditions:

1. All mitigation measures contained in the Mitigation, Monitoring, and Reporting Program prepared for 11355 Coffield Avenue are hereby incorporated and made a part of the conditions of approval.

2. All exterior loud speakers in front of the building shall be removed or be permanently deactivated.

3. The applicant shall submit a proposal to staff for implementing a trash and debris cleanup and reduction program for all church scheduled activities for review by the City. Upon approval, this program shall be instituted on a permanent basis.

4. The applicant shall submit to the City for review and approval prior to implementation, an onsite parking and circulation plan to achieve the goal of maximizing the total number of onsite parking spaces, improving the internal traffic circulation and improving the ingress and egress to the parking lot areas.

5. The applicant shall submit evidence to the City the lease agreement(s) to secure the additional offsite parking spaces as proposed. The applicant shall on an annual basis, by January 1st of each calendar year, submit to the City, evidence that these offsite parking spaces shall be available for use by the church. This condition shall be effective until such time as the church can demonstrate to the satisfaction of the Deputy City Manager for Community Development that an alternative parking arrangement can be made to satisfy the parking demand from Church activities that minimizes parking spill over onto adjacent residential streets.

6. The applicant shall submit a proposal to staff for implementing a parking attendant program for all church scheduled activities for review by the City. Upon approval this program shall be instituted on a permanent basis to manage the onsite and the satellite parking lots.

7. Upon completion, the applicant shall submit the traffic and circulation study that is being conducted by the applicant's traffic engineer to the Deputy City Manager for Community Development for evaluation. Upon approval, the applicant shall be responsible for all cost associated with implement the recommendations of the traffic study as approved by the City.

8. All conditions approval for this project, shall be satisfied or be deem to be completed by the Deputy city Manager for Community Development prior issuance of a certificate of occupancy for the development approved herein.

9. That all conditions of approval for Conditional Use Permit No. 06-08 and Design Review No. 03-08 shall be complied with.

SECTION 10. That the City Clerk of the City of El Monte, California, shall certify to the adoption of this Ordinance and shall cause a copy of the same to be forwarded to the applicant.

Passed, approved, and adopted this 3rd day of February 2009.

Ernest G. Gutierrez
Mayor of the City of El Monte

ATTEST:

Lorene Gutierrez
City Clerk of the City of El Monte

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES) SS:
CITY OF EL MONTE)

I, Lorene Gutierrez, City Clerk of the City of El Monte, do hereby certify that the foregoing Ordinance No. 2733 was passed, approved, and adopted by the City Council of the City of El Monte, signed by the Mayor and attested to by the City Clerk at a regular meeting by said Council held on the 3rd day of February 2009, and that said Ordinance was adopted by the following votes to wit:

AYES: Mayor Gutierrez, Councilman Barrios, Councilman Gomez, Councilwoman Ishigaki and Councilwoman Wallach

NOES: None

ABSENT: None

Lorene Gutierrez
City Clerk of the City of El Monte

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Los Angeles

On Oct. 26, 2009 (Date) before me, Marie Urbach, Notary Public (Here Insert Name and Title of the Officer),

personally appeared Royale M. Vadakin (Name(s) of Signer(s))

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

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

WITNESS my hand and official seal.

Signature Marie Urbach (Signature of Notary Public)

MARIE URBACH
Commission # 1824840
Notary Public - California
Los Angeles County
My Comm. Expires Nov 27, 2012

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Maintenance Agreement (City of El Monte)

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☒ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____
Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer's Name: _____
☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____
Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

State of California

County of Los Angeles

On November 9, 2009 before me, Mui Leng Chan , Notary Public
Name and Title of Officer (e.g. "Jane Doe, Notary Public")

personally appeared Rene Bobadilla
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.

MUI LENG CHAN
Commission # 1781986
Notary Public - California
Los Angeles County
My Comm. Expires Dec 21, 2011

Place Notary seal Above

Signature _____
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document
Title or Type of Document: Maintenance Agreement

Document Date: _____ Number of Pages: __

Signer(s) Other Than Named Above: _____

Capacity(~~ies~~) Claimed by Signer(~~s~~)

Signer's Name: Rene Bobadilla
- ■ Individual
- ☐ Corporate Officer - Title(s): _____
- ☐ Partner --- ☐ Limited ☐ General
- ☐ Attorney-in-Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other: _____

Signer is Representing:
_____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer's Name: _____
- ☐ Individual
- ☐ Corporate Officer - Title(s): Title(s): _____
- ☐ Partner --- ☐ Limited ☐ General
- ☐ Attorney-in-Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other: _____

Signer is Representing:
_____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

48

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

State of California

County of Los Angeles

On November 2, 2009 before me, Mui Leng Chan, Notary Public
Name and Title of Officer (e.g. "Jane Doe, Notary Public")

personally appeared Richard Padilla
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.

MUI LENG CHAN
Commission # 1761984
Notary Public - California
Los Angeles County
MyComm. Expires Dec 21, 2011

Place Notary seal Above

Signature _____
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document
Title or Type of Document: Maintenance Agreement

Document Date: _____ Number of Pages: __

Signer(s) Other Than Named Above: _____

Capacity(~~ies~~) Claimed by Signer(s)

Signer's Name: Richard Padilla
■ Individual
☐ Corporate Officer - Title(s): _____
☐ Partner --- ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer is Representing:
_____

Signer's Name: _____
☐ Individual
☐ Corporate Officer - Title(s): Title(s): _____
☐ Partner --- ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer is Representing:
_____

ATTACHMENT 4 – PROPERTY ACQUISITION FUNDING/PURCHASE AGREEMENT (3557 LEXINGTON)

RESOLUTION NO. R-331

A RESOLUTION OF THE EL MONTE COMMUNITY REDEVELOPMENT AGENCY APPROVING AN AGREEMENT FOR THE PURCHASE OF REAL PROPERTY FROM SOUTHERN CALIFORNIA GAS COMPANY (DOWNTOWN EL MONTE REDEVELOPMENT PROJECT)

WHEREAS, Southern California Gas Company (the "Seller") owns certain real property (the "Property") located at 3557 Lexington Avenue within the redevelopment project area of the Downtown El Monte Redevelopment Project (the "Project Area"); and

WHEREAS, the El Monte Community Redevelopment Agency ("the Agency") desires to acquire the Property from the Seller for community redevelopment purposes in accordance with the Redevelopment Plan for the Downtown El Monte Redevelopment Project (the "Redevelopment Plan") and to provide for the relocation of the public utility customer service operations as currently conducted on the Property by the Seller to a new location in the City of El Monte.

NOW, THEREFORE, THE EL MONTE COMMUNITY REDEVELOPMENT AGENCY DOES HEREBY FIND, DETERMINE, AND RESOLVE AS FOLLOWS:

SECTION 1. The Agency has obtained an appraisal of the Property which indicates the fair market value thereof of Two Hundred Eighteen Thousand Dollars ($218,000.00). The Agency hereby approves the acquisition of the Property from the Seller for the sum of Two Hundred and Eighteen Thousand Dollars ($218,000.00) and the payment to the Seller of Ten Thousand Dollars ($10,000) in complete satisfaction and discharge of all relocation claims against the Agency in accordance with the terms of that certain Agreement for the Purchase of Real Property from the Southern California Gas Company dated as of July 28, 1987, by and between the Seller and the Agency (the "Agreement") as attached hereto as Exhibit "A" and incorporated by this reference.

The Agency hereby approves the form of the Agency Note in the principal amount of One Hundred and Forty Five Thousand Three Hundred Thirty Three Dollars and Thirty-Five Cents ($145,333.33) for the balance of the purchase price of the Property in accordance with the terms as more fully provided in the Agreement and the Agency authorizes the delivery thereof to the Seller. The Chairman and the Secretary are hereby authorized and directed to execute the Agreement and the Agency Note on behalf of the Agency together with such technical and conforming changes as may be recommended by the Executive Director and approved by the Agency General Counsel.

SECTION 2. The Agency hereby approves a loan of certain supplemental CDBG funds for fiscal years 1987-88, 1988-89 and 1989-90 to be advanced from time-to-time to the Agency by the City in a total aggregate amount not to exceed Two Hundred Eighty Four Thousand Dollars ($284,000.00) for community redevelopment purposes in an amount sufficient to make the initial payment of funds to close the escrow as provided in the Agreement and meet the obligation of the Agency thereafter to make payments of installments of principal and interest when due to the Seller under the Agency Note for the purchase of the Property as provided in the Agreement. The Agency hereby approves Amendment No. 2 to that certain Loan Agreement as attached hereto as Exhibit "B" and incorporated by this reference.

SECTION 3. The Executive Director of the Agency is hereby authorized and directed to execute such ancillary documents and instructions as may be necessary or convenient to conclude the acquisition of the Property in accordance with the Agreement.

SECTION 4. The Agency Secretary shall certify the adoption of this Resolution. This Resolution shall take effect upon adoption.

Passed, approved and adopted this 28th day of July, 1987.

Don McMillen
Chairman of the El Monte
Community Redevelopment Agency

ATTEST:

Kathleen Kaplan
Secretary of the El Monte
Community Redevelopment Agency

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF EL MONTE)

I, KATHLEEN KAPLAN, Secretary of the El Monte Community Redevelopment Agency, hereby certify that the foregoing Resolution No. R-331 was passed and adopted by the El Monte Community Redevelopment Agency, signed by the Chairman and attested to by the Secretary at a regular meeting of said Agency held on the 28th day of July, 1987, and that said Resolution was adopted by the following vote, to-wit:

AYES: Chairman McMillen, Agency Members Crippen and Morgan

NOES: None

ABSENT: None

ABSTAIN: Agency Members Marrone and Gutierrez

Kathleen Kaplan
Secretary of the El Monte
Community Redevelopment Agency

A:010.1-107
030.2-46|CR#3

EXHIBIT "A"

Southern California Gas Company

Agreement for the Purchase of Real Property

R-331

F 1733

RESOLUTION NO. R-331

A RESOLUTION OF THE EL MONTE COMMUNITY REDEVELOPMENT AGENCY APPROVING AN AGREEMENT FOR THE PURCHASE OF REAL PROPERTY FROM SOUTHERN CALIFORNIA GAS COMPANY (DOWNTOWN EL MONTE REDEVELOPMENT PROJECT)

WHEREAS, Southern California Gas Company (the "Seller") owns certain real property (the "Property") located at 3557 Lexington Avenue within the redevelopment project area of the Downtown El Monte Redevelopment Project (the "Project Area"); and

WHEREAS, the El Monte Community Redevelopment Agency ("the Agency") desires to acquire the Property from the Seller for community redevelopment purposes in accordance with the Redevelopment Plan for the Downtown El Monte Redevelopment Project (the "Redevelopment Plan") and to provide for the relocation of the public utility customer service operations as currently conducted on the Property by the Seller to a new location in the City of El Monte.

NOW, THEREFORE, THE EL MONTE COMMUNITY REDEVELOPMENT AGENCY DOES HEREBY FIND, DETERMINE, AND RESOLVE AS FOLLOWS:

SECTION 1. The Agency has obtained an appraisal of the Property which indicates the fair market value thereof of Two Hundred Eighteen Thousand Dollars ($218,000.00). The Agency hereby approves the acquisition of the Property from the Seller for the sum of Two Hundred and Eighteen Thousand Dollars ($218,000.00) and the payment to the Seller of Ten Thousand Dollars ($10,000) in complete satisfaction and discharge of all relocation claims against the Agency in accordance with the terms of that certain Agreement for the Purchase of Real Property from the Southern California Gas Company dated as of July 28, 1987, by and between the Seller and the Agency (the "Agreement") as attached hereto as Exhibit "A" and incorporated by this reference.

The Agency hereby approves the form of the Agency Note in the principal amount of One Hundred and Forty Five Thousand Three Hundred Thirty Three Dollars and Thirty-Five Cents ($145,333.33) for the balance of the purchase price of the Property in accordance with the terms as more fully provided in the Agreement and the Agency authorizes the delivery thereof to the Seller. The Chairman and the Secretary are hereby authorized and directed to execute the Agreement and the Agency Note on behalf of the Agency together with such technical and conforming changes as may be recommended by the Executive Director and approved by the Agency General Counsel.

SECTION 2. The Agency hereby approves a loan of certain supplemental CDBG funds for fiscal years 1987-88, 1988-89 and 1989-90 to be advanced from time-to-time to the Agency by the City in a total aggregate amount not to exceed Two Hundred Eighty Four Thousand Dollars ($284,000.00) for community redevelopment purposes in an amount sufficient to make the initial payment of funds to close the escrow as provided in the Agreement and meet the obligation of the Agency thereafter to make payments of installments of principal and interest when due to the Seller under the Agency Note for the purchase of the Property as provided in the Agreement. The Agency hereby approves Amendment No. 2 to that certain Loan Agreement as attached hereto as Exhibit "B" and incorporated by this reference.

SECTION 3. The Executive Director of the Agency is hereby authorized and directed to execute such ancillary documents and instructions as may be necessary or convenient to conclude the acquisition of the Property in accordance with the Agreement.

SECTION 4. The Agency Secretary shall certify the adoption of this Resolution. This Resolution shall take effect upon adoption.

Passed, approved and adopted this 28th day of July, 1987.

Don McMillen
Chairman of the El Monte
Community Redevelopment Agency

ATTEST:

Kathleen Kaplan
Secretary of the El Monte
Community Redevelopment Agency

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF EL MONTE)

I, KATHLEEN KAPLAN, Secretary of the El Monte Community Redevelopment Agency, hereby certify that the foregoing Resolution No. R-331 was passed and adopted by the El Monte Community Redevelopment Agency, signed by the Chairman and attested to by the Secretary at a regular meeting of said Agency held on the 28th day of July, 1987, and that said Resolution was adopted by the following vote, to-wit:

AYES: **Chairman McMillen, Agency Members Crippen and Morgan**

NOES: **None**

ABSENT: **None**

ABSTAIN: Agency Members Marrone and Gutierrez

Kathleen Kaplan
Secretary of the El Monte
Community Redevelopment Agency

A:010.1-107
030.2-46|CR#3

ATTACHMENT 5 – VALLEY MALL PARKING AND BUSINESS IMPROVEMENT AREA DOCUMENTS

Classification of Businesses	Amount of Additional Tax

Chapter 12.24 PARKING AND BUSINESS IMPROVEMENT AREA

Sections:

12.24.010 Creation.
12.24.020 Boundaries.
12.24.030 Delineation.
12.24.040 Uses and purpose.
12.24.050 Business classification and rate of levy.
12.24.060 Multiple businesses.
12.24.070 Payment of tax.
12.24.080 Applicability of general business license provisions.
12.24.090 Payment prerequisite to license.
12.24.100 Refusal to pay tax.

12.24.010 Creation.

Pursuant to the Parking and Business Improvement Act law of 1965, being Part 5 of Division 18 of the Streets and Highways Code, Sections 36000 through 36081, there is established a parking and business improvement area business license area, which is hereinafter in this chapter referred to simply as said area.

(Prior code § 6700)

12.24.020 Boundaries.

The boundaries of said area are specifically described as follows:

All that property in the city of El Monte, county of Los Angeles, state of California, bounded and described as follows:

Beginning at the point of intersection of the southwesterly line of the Southern Pacific Railroad Right of Way, 100 feet wide, with the northwesterly line of Cypress Avenue (formerly Central Avenue), 60 feet wide; thence southwesterly along said northwesterly line to the northerly line of the Pacific Electric Railroad Right of Way, 80 feet wide; thence westerly along said northerly line to the southwesterly line of Monte Vista Street; thence southeasterly along said southwesterly line of Monte Vista Street to the northeasterly line of Valley Boulevard; thence southwesterly in a direct line to a point that is south 41° 41′ 04″ west 15.00 feet and south 47° 56′ 47″ east 15.00 feet and south 42° 03′ 14″ west 9.90 feet from the most northerly point of the northwesterly line of that certain parcel of land, described in Indenture to the City of El Monte, recorded in Book 6703 Page 151 of Official Records in the Los Angeles County Recorder's Office; thence south 42° 03′ 14″ west 44.25 feet to the northerly line of Ramona Boulevard (formerly Columbia Street); thence westerly along said northerly line of Ramona Boulevard 130.46 feet; thence northerly in a direct line to a point in the southerly line of said Pacific Electric Railroad Right of Way that is westerly 45.59 feet from the southwesterly line of Valley Boulevard (formerly San Bernardino Road and 66 feet wide); thence easterly along said last mentioned southerly line to the southwesterly line of Valley Boulevard, 76 feet wide; thence northwesterly along said last mentioned southwesterly line to the northerly line of said Pacific Electric Railroad Right of Way as it existed on October 18, 1965; thence westerly along said last mentioned northerly line to the southeasterly line of the Rio Hondo Flood Control Channel Right of Way; thence northeasterly along said last mentioned southeasterly line to a line parallel with and southwesterly 50 feet at right angles to the center line of the Southern Pacific Railroad Right of Way, 100 feet wide; thence southeasterly along said parallel line to said point of beginning.

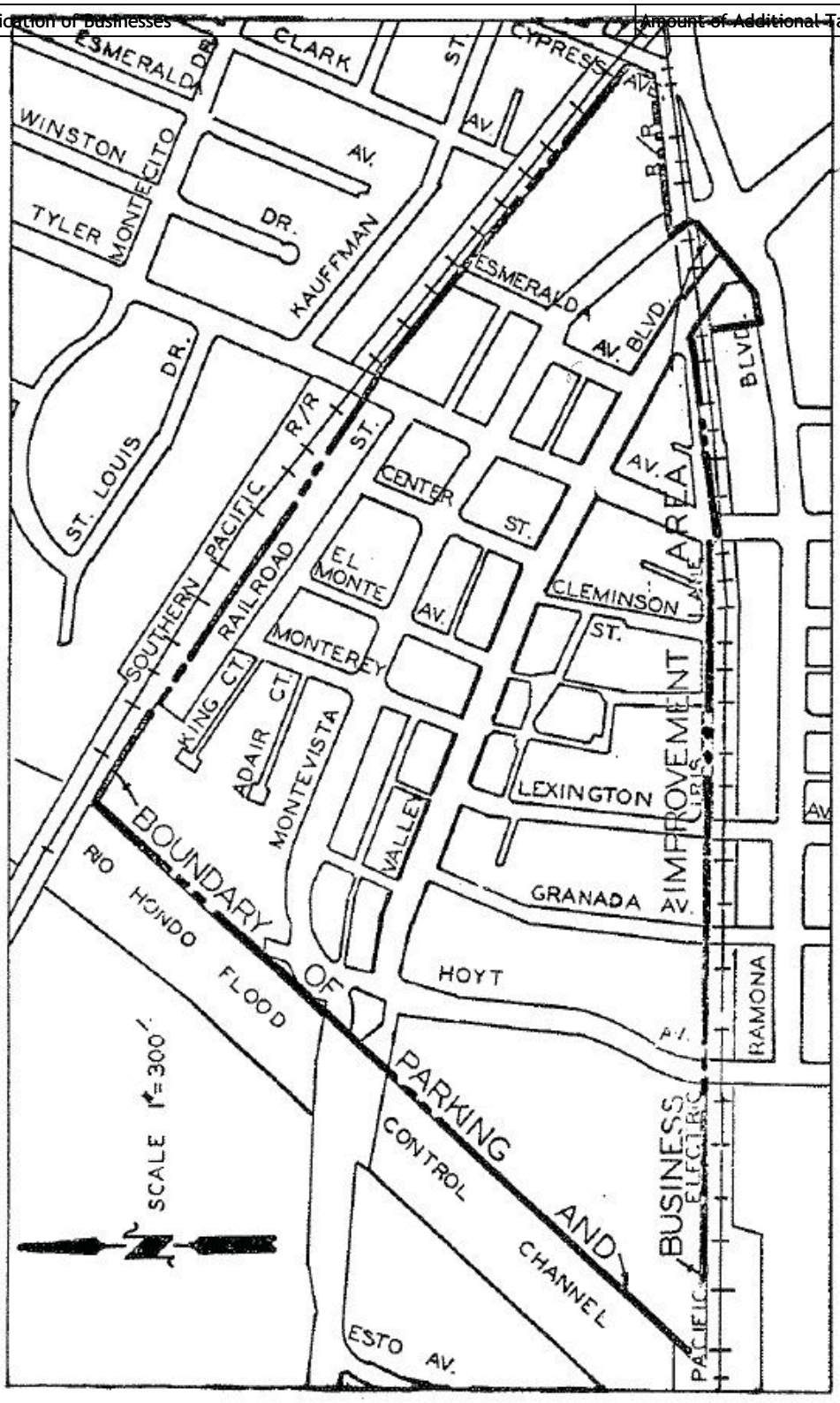
(Prior code § 6701)

12.24.030 Delineation.

For purposes of graphic illustration, the boundaries of said area as described in Section 12.24.020 are delineated on the following map of the area:

MAP DELINEATING BOUNDARIES OF PARKING AND BUSINESS IMPROVEMENT AREA

Classification of Businesses	Amount of Additional Tax



(Prior code § 6701.1)

12.24.040 Uses and purpose.

The uses and purpose to which the additional revenue emanating from said area pursuant to and as a result of this chapter shall be put are any one or more of the following:

A. The acquisition, construction or maintenance of parking facilities for the benefit of the area;
B. Decoration of any public place in the area;
C. Promotion of public events which are to take place on or in public places in the area;
D. Furnishing of music in any public place in the area;
E. The general promotion of retail trade activities in the area.

(Prior code § 6702)

Classification of Businesses	Amount of Additional Tax

12.24.050 Business classification and rate of levy.

The initial rate of increase or the additional levy of the general business license tax imposed upon the businesses within said area and the breakdown by class of business, are fixed, levied, determined and established as follows:

Classification of Businesses	Amount of Additional Tax
Class A:	No additional tax
Automobile dealers	
Business of manufacturing	
Business of selling at wholesale only	
Carnivals	
Kleig lights	
Shoe shine stands	
Occupants of commercial office buildings, except occupants who conduct retail sales therein, when the owners of the office building or the property on which it is located provide parking as required by the El Monte Municipal Code for the occupants and maintain the parking at their own expense.	
Class B:	An additional tax equal to one-half of the city business license tax otherwise applicable to such business.
Pawnbrokers	
Public dances—Annual	
Class C:	An additional tax equal to the city business license tax applicable to each such respective business.
Amusement machines and music boxes	
Circuses, sideshows	
Custom dressmaking and sewing	
Entertainment	
Ice sales	
Medical, dental and optical laboratories	
Newspaper and magazine agencies	
Pool rooms	
Public dance—Per day	
Retail sale of newspapers, magazines, tobacco and items incidental thereto	
Undertaking establishments	
Vending machines	
Class D:	An additional tax in an amount two (2) times the city business license tax applicable to each such respective business.
Advertising agencies	
Attorneys	
Apartment houses, hotels, motels, motor courts, tourist courts, trailer parks, bungalow courts, auto camps	
Automotive repair	
Barbershops	
Business equipment consultants (No retail sales)	
Chiropractors	
Commercial office supplies	
Concessionaires operating wholly within an establishment charging a fee for admission.	
Contractors and engineers	
Medical and dental doctors	
Optometrists	
Printers	
Psychoanalysts	
Public bookkeeping, accounting	
Public utilities, including gas, electrical and telephone	
Real estate brokers	
Repair and service only of radios and television sets	
Veterinarians	

Classification of Businesses	Amount of Additional Tax
All other professions licensed and regulated by the state and not specifically otherwise classified herein	
Class E:	An additional tax in an amount equal to three (3) times the city business license tax applicable to each such respective business.
Cleaners and cleaners' agents and agencies	
Closing out sales	
Laundromats and self-service laundries and cleaners	
Laundry agents and agencies	
Rental agents and agencies	
Rental leasing companies	
Retail drugs and pharmacies (State License C and D only)	
Shoe repair shops	
Tailors, tailor shops, clothing alterations	
Class F:	An additional tax in an amount equal to four (4) times the city business license tax applicable to each such respective business.
Beauty parlors and shops	
Newspaper publishers	
Service stations	
Theatres	
Class G:	An additional tax in an amount equal to five (5) times the city business license tax applicable to each such respective business.
All other businesses not included within class A, B, C, D, E or F, including the following:	
Bars	
Cafes	
Massage parlors[1]	
Personal and real estate loan agents and agencies	
Photo studios	
Restaurants	
Retail drugs and pharmacies (State License A and B only)	
Secondhand dealers and stores	
Trade schools	
Trading stamp agencies and redemption centers	
All other businesses involving retail sales, professional and semi-professional occupations	

1. For purposes of this Section 12.24.050, the term "massage parlor" shall mean and refer to all businesses which fall within the definition of the term "massage establishment" as set forth under Chapter 5.56 of the El Monte Municipal Code.

(Amended during 1999 recodification; prior code § 6703)
(Ord. No. 2779, § 5, 10-18-2011)

12.24.060 Multiple businesses.

Whenever a business is susceptible to more than one business classification under Title 5 of this code or under any of the classifications hereinabove set forth, the highest business license applicable under the El Monte Municipal Code and the classification hereinbefore set forth which produces the greatest additional tax shall be used and applied to such business.

(Prior code § 6704)

12.24.070 Payment of tax.

The additional tax levied shall be due and payable and shall be paid at the same time and in the same manner that the business license tax imposed by Chapter 5.08 of this title is due and payable in accordance with the terms of this chapter.

(Prior code § 6705)

12.24.080 Applicability of general business license provisions.

Classification of Businesses	Amount of Additional Tax

The provisions of Sections 5.04.040, 5.04.080A and B, 5.04.100A—C and E, 5.04.110, 5.04.140, 5.04.170, 5.04.180, 5.04.190, 5.04.200, 5.40.220, 5.04.230, 5.04.240, 5.04.250, 5.04.260, 5.04.330, 5.04.350, 5.04.360 and 5.04.370 of this code shall be applicable to all businesses in the area described in Section 12.24.020 and subject to the additional levy of the general business license tax imposed by Section 12.24.050. (Amended during 1999 recodification; prior code § 6705.2)

12.24.090 Payment prerequisite to license.

No business license shall be issued pursuant to this chapter unless the additional business license tax imposed by this chapter is paid together with the business license payable pursuant to and imposed by Chapter 5.08 of this code.

(Prior code § 6706)

12.24.100 Refusal to pay tax.

No person shall fail or refuse to pay the additional business license tax imposed by this chapter.

(Prior code § 6707)

RESOLUTION NO. 3284

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL MONTE, CALIFORNIA, DECLARING ITS INTENTION TO ESTABLISH A PARKING AND BUSINESS IMPROVEMENT AREA, TO PROVIDE FOR THE LEVY OF AN ADDITIONAL BUSINESS LICENSE TAX ON SPECIFIED BUSINESSES CONDUCTED WITHIN SUCH AREA, CLASSIFYING VARIOUS BUSINESSES FOR SUCH PURPOSE, DESCRIBING THE BOUNDARIES OF THE PROPOSED AREA, THE PROPOSED USES TO WHICH THE ADDITIONAL REVENUE SHALL BE PUT, THE INITIAL RATE OF INCREASE FOR ADDITIONAL LEVY OF THE LICENSE TAX, FIXING THE TIME AND PLACE OF A HEARING TO BE HELD BY THE CITY COUNCIL TO CONSIDER THE ESTABLISHMENT OF SUCH AN AREA, AND DIRECTING THE GIVING OF NOTICE OF SUCH HEARING..

THE CITY COUNCIL OF THE CITY OF EL MONTE, CALIFORNIA, DOES RESOLVE AS FOLLOWS:

SECTION 1. That the City Council of the City of El Monte hereby declares its intention to establish a parking and business improvement area under the Parking and Business Improvement Act law of 1965, being Part 5 of Division 18 of the Streets and Highways Code, Sections 36000 through 36081 of said Streets and Highways Code.

SECTION 2. The description of the boundaries of the proposed area are set forth in EXHIBIT A attached hereto and incorporated herein by reference. A map delineating said proposed boundaries is attached hereto marked EXHIBIT B and incorporated herein by reference.

SECTION 3. The proposed uses to which the additional revenue shall be put are as follows:

a. The acquisition, construction or maintenance of parking facilities for the benefit of the area.

b. Decoration of any public place in the area.

c. Promotion of public events which are to take place on or in public places in the area.

d. Furnishing of music in any public place in the area.

e. The general promotion of retail trade activities in the area.

SECTION 4. The initial rate of increase, or additional levy of the license tax, with a breakdown by class of business, is set forth in EXHIBIT C attached hereto and incorporated herein by reference.

SECTION 5. That Monday, November 1, 1965 at 5:00 o'clock P.M., in the Council Chambers of the El Monte City Hall, 11333 East Valley Boulevard, El Monte, California, is hereby fixed and designated as the date, hour and place of a hearing to be held by the El Monte City Council to consider the establishment of such parking and business improvement area, the boundaries thereof, the proposed uses to which the additional revenue shall be put, the initial rate of increase for additional levy of the license tax, and the breakdown by class of businesses and all related and pertinent matters, including protests to any of the foregoing.

SECTION 6. The City Clerk shall give notice of the time, place and purpose of said hearing by the publication of the within Resolution once in the official newspaper, and by mailing a complete copy of the within Resolution to each business in the proposed or established area, such publication and mailing to be complete on or before October 21, 1965.

SECTION 7. The City Clerk shall certify to the adoption of this Resolution.

Passed, approved and adopted this 18th day of October, 1965.

Charles E. Wiggins
Mayor of the City of El Monte

ATTEST:

Viola M. Nicolet
City Clerk of the City of El Monte

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF EL MONTE)

I, VIOLA M. NICOLET, City Clerk of the City of El Monte, hereby certify that the foregoing Resolution No. 3284 was passed and adopted by the City Council of the City of El Monte, signed by the Mayor and attested to by the City Clerk, at an adjourned regular meeting of said Council held on the 18th day of December, 1965, and that said resolution was adopted by the following vote, to wit:

AYES: Councilmen Dagley, Scott, and Wiggins
NOES: None
ABSENT: Councilmen Ingram and Kading

Viola M. Nicolet
City Clerk of the City of El Monte

"EXHIBIT A"

Beginning at the point of intersection of the southwesterly line of the Southern Pacific Railroad Right of Way, 100 feet wide, with the northwesterly line of Cypress Avenue (formerly Central Avenue) 60 feet wide; thence southwesterly along said northwesterly line to the northerly line of the Pacific Electric Railroad Right of Way, 80 feet wide; thence westerly along said northerly line to the southwesterly line of Monte Vista Street; thence southeasterly along said southwesterly line of Monte Vista Street to the northeasterly line of Valley Boulevard; thence southwesterly in a direct line to a point that is south 41° 41' 04" west 15.00 feet and south 47° 56' 46" east 15.00 feet and south 42° 03' 14" west 9.90 feet from the most northerly point of the northwesterly line of that certain parcel of land, described in Indenture to the City of El Monte, recorded in Book 6703 Page 151 of of Official Records in the Los Angeles County Recorder's Office; thence south 42° 03' 14" west 44.25 feet to the northerly line of Ramona Boulevard, (Formerly Columbia Street); thence westerly along said northerly line of Ramona Boulevard 130.46 feet; thence northerly in a direct line to a point in the southerly line of said Pacific Electric Railroad Right of Way that is westerly 45.59 feet from the southwesterly line of Valley Boulevard (formerly San Bernardino Road and 66 feet wide) thence easterly along said last mentioned southerly line to the southwesterly line of Valley Boulevard, 76 feet wide; thence northwesterly along said last mentioned southwesterly line to the northerly line of said Pacific Electric Railroad Right of Way as it existed on October 18, 1965; thence westerly along said last mentioned northerly line to the southeasterly line of the Rio Hondo Flood Control Channel Right of Way; thence northeasterly along said last mentioned southeasterly line to a line parallel with and southwesterly 50 feet at right angles to the center line of the Southern Pacific Railroad Right of Way, 100 feet wide; thence southeasterly along said parallel line to said point of beginning.

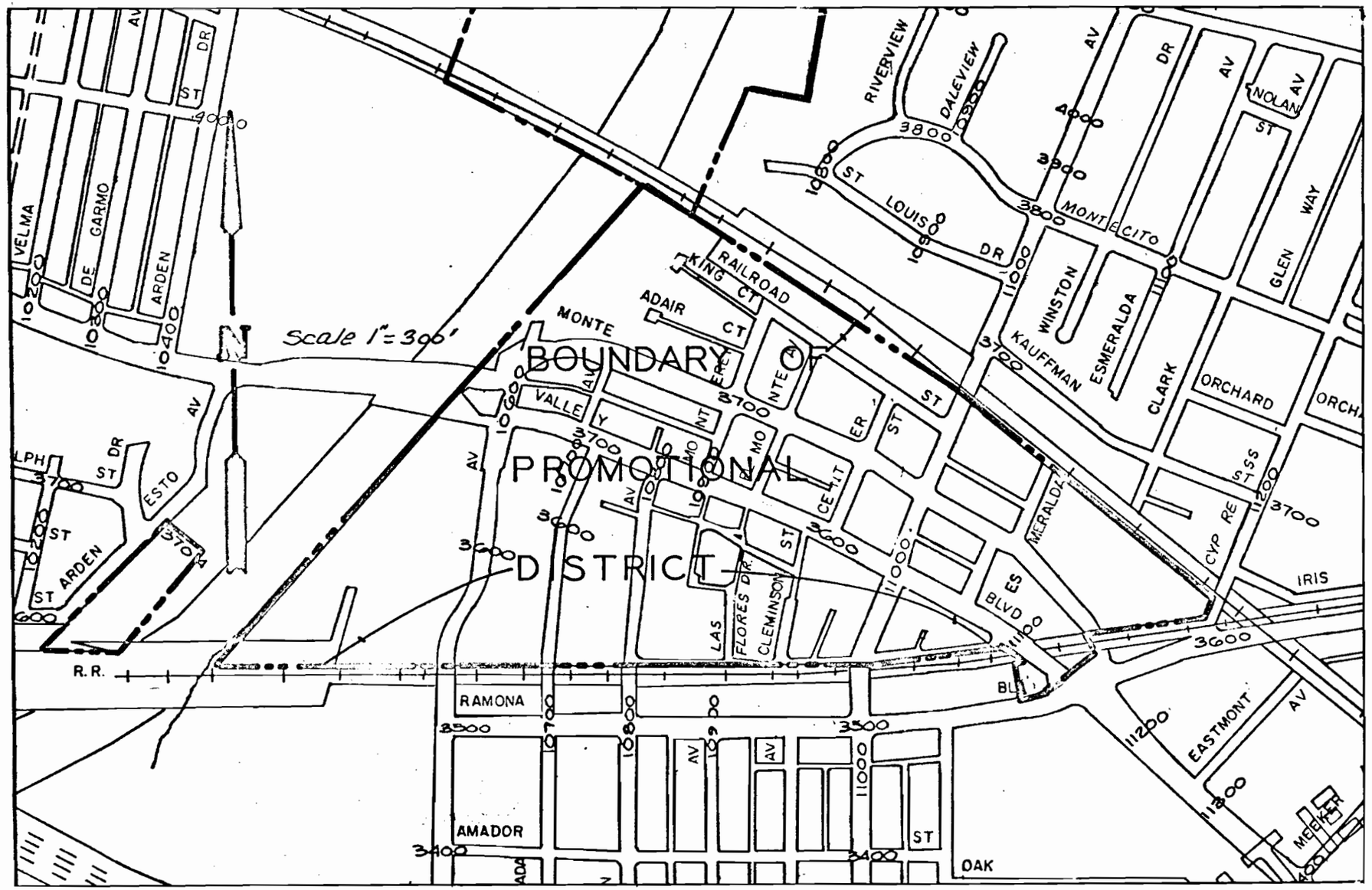


EXHIBIT B

EXHIBIT B

EXHIBIT C

Pursuant to Sections 36025(b) and 36040 of the Streets and Highways Code and Section 4 of the within Resolution, the following classifications and breakdown by class of business of the businesses within the Parking and Business Improvement Area as finally established is hereby made, and the additional business license tax imposed upon each such business within such classifications shall be respectively as follows:

CLASSIFICATION OF BUSINESSES	AMOUNT OF ADDITIONAL TAX
CLASS A. Business of manufacturing Business of selling at wholesale only	No additional tax
CLASS B. Pawn brokers	An additional tax equal to one-half (1/2) of the business license tax otherwise applicable to such business.
CLASS C. Medical, dental and optical laboratories Retail sale of newspapers, magazines, tobacco and items incidental thereto Newspaper and magazine agencies Undertaking establishments	An additional tax equal to the business license tax applicable to each such respective business.
CLASS D. Advertising agencies Attorneys Apartment houses, hotels, motels, motor courts, tourist courts, trailer parks, bungalow courts, auto camps Contractors and engineers Medical and dental doctors Public utilities, including gas, electrical and telephone Psychoanalysts; chiropractors; optometrists Public bookkeeping, accounting Real Estate brokers Printers Automotive repair Auto dealers Veterinarians All other professions licensed and regulated by the State of California and not specifically otherwise classified herein	An additional tax in an amount two (2) times the business license tax applicable to each such respective business.
CLASS E. Cleaners and cleaners agents and agencies Laundry agents and agencies Laundromats and self-service laundries and cleaners Rental leasing companies Shoe repair shops Rental agents and agencies	An additional tax in an amount equal to three (3) times the business license tax applicable to each such respective business.

CLASSIFICATION OF BUSINESSES	AMOUNT OF ADDITIONAL TAX
CLASS F. Newspaper publishers Service stations Theatres	An additional tax in an amount equal to four (4) times the business license tax applicable to each such respective business.
CLASS G. All other businesses not included within Class A, B, C, D, E or F, including the following: Second hand dealers and stores Personal and Real Estate loan agents and agencies Cafes Bars Restaurants Barber shops Beauty shops Trade schools Massage parlors Trading stamp agencies and redemption centers Photo studios Tailors and tailor shops All other businesses involving retail sales, professional and semi-professional occupations	An additional tax in an amount equal to five (5) times the business license tax applicable to each such respective business.

Whenever a business is susceptible to more than one business classification under Article VI of the El Monte Municipal Code or under any of the classifications hereinabove set forth, the highest business license applicable under the El Monte Municipal Code and the classification hereinabove set forth which produces the greatest additional tax shall be used and applied to such business.

EM Municipal Code
Ch. 12.24

ORDINANCE NO. 1393

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EL MONTE, CALIFORNIA, ESTABLISHING A PARKING AND BUSINESS IMPROVEMENT AREA, SPECIFYING THE INITIAL RATE OF INCREASE, OR ADDITIONAL LEVY, OF THE LICENSE TAX TO BE IMPOSED WITH A BREAKDOWN BY CLASSIFICATION OF BUSINESS, SPECIFYING THE USES TO WHICH THE ADDITIONAL REVENUE SHALL BE PUT, AND AMENDING THE EL MONTE MUNICIPAL CODE BY ADDING TO ARTICLE VI THEREOF A NEW CHAPTER 7 ENTITLED "PARKING AND BUSINESS IMPROVEMENT AREA BUSINESS LICENSE", CONTAINING SECTIONS 6700 THROUGH 6707.

THE CITY COUNCIL OF THE CITY OF EL MONTE, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

SECTION 1. That on October 18, 1965, the City Council of the City of El Monte adopted Resolution No. 3284 entitled:

"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL MONTE, CALIFORNIA, DECLARING ITS INTENTION TO ESTABLISH A PARKING AND BUSINESS IMPROVEMENT AREA, TO PROVIDE FOR THE LEVY OF AN ADDITIONAL BUSINESS LICENSE TAX ON SPECIFIED BUSINESSES CONDUCTED WITHIN SUCH AREA, CLASSIFYING VARIOUS BUSINESSES FOR SUCH PURPOSE, DESCRIBING THE BOUNDARIES OF THE PROPOSED AREA, THE PROPOSED USES TO WHICH THE ADDITIONAL REVENUE SHALL BE PUT, THE INITIAL RATE OF INCREASE FOR ADDITIONAL LEVY OF THE LICENSE TAX, FIXING THE TIME AND PLACE OF A HEARING TO BE HELD BY THE CITY COUNCIL TO CONSIDER THE ESTABLISHMENT OF SUCH AN AREA, AND DIRECTING THE GIVING OF NOTICE OF SUCH HEARING."

That pursuant thereto a hearing was duly held by and before said City Council on November 1, 1965, at 5:00 o'clock P.M., in the Council Chambers of the El Monte City Hall, 11333 East Valley Boulevard, El Monte, California, concerning the formation of the Parking and Business Improvement Area therein described and proposed. That the description of the boundaries of such Area are set forth in Section 2 of this Ordinance in Section 6701 thereof.

That the businesses in the Area established by this Ordinance shall be subject to the provisions of the additional tax as specified in Section 2 of this Ordinance. That the initial rate of increase, or additional levy, of the license tax to be imposed with a breakdown by classification of business is specified in Section 2 of this Ordinance. That a Parking and Business Improvement Area is hereby and by the adoption of this Ordinance has been formed. That the uses to which the additional revenue shall be put shall be only those specified in Section 2 of this Ordinance.

SECTION 2. That the El Monte Municipal Code is hereby amended by adding to Article VI thereof a new Chapter 7 entitled "Parking and Business Improvement Area Business License, containing Sections 6700 through 6707, the same to read as follows:

ARTICLE VI - BUSINESSES, PROFESSIONS AND TRADES

CHAPTER 7 - PARKING AND BUSINESS IMPROVEMENT AREA.

6700. CREATION. Pursuant to the Parking and Business Improvement Act law of 1965, being Part 5 of Division 18 of the Streets and Highways Code, Sections 36000 through 36081, there is hereby established a Parking and Business Improvement Area Business License Area, which is hereinafter in this Chapter referred to simply as said Area.

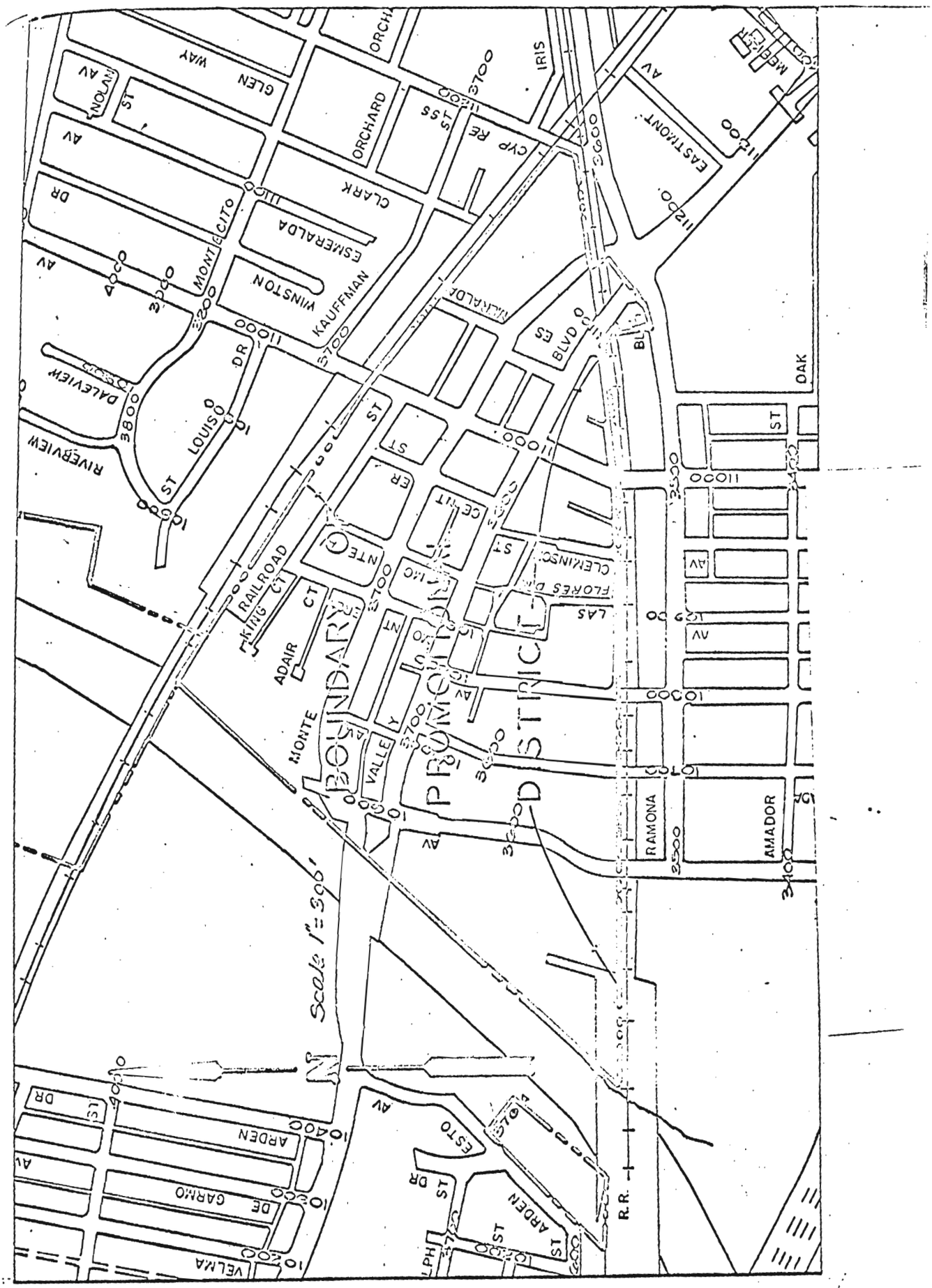
6701. BOUNDARIES. The boundaries of said Area are specifically described as follows:

All that property in the City of El Monte, County of Los Angeles, State of California, bounded and described as follows:

Beginning at the point of intersection of the southwesterly line of the Southern Pacific Railroad Right of Way, 100 feet wide, with the northwesterly line of Cypress Avenue (formerly Central Avenue), 60 feet wide; thence southwesterly along said northwesterly line to the northerly line of the Pacific Electric Railroad Right of Way, 80 feet wide; thence westerly along said northerly line to the southwesterly line of Monte Vista Street; thence southeasterly along said southwesterly line of Monte Vista Street to the northeasterly line of Valley Boulevard; thence southwesterly in a direct line to a point that is south 41° 41' 04" west 15.00 feet and south 47° 56' 46" east 15.00 feet and south 42° 03' 14" west 9.90 feet from the most northerly point of the northwesterly line of that certain parcel of land, described in Indenture to the City of El Monte, recorded in Book 6703 Page 151 of Official Records in the Los Angeles County Recorder's Office; thence south 42° 03' 14" west 44.25 feet to the northerly line of Ramona Boulevard (formerly Columbia Street); thence westerly along said northerly line of Ramona Boulevard 130.46 feet; thence northerly in a direct line to a point in the southerly line of said Pacific Electric Railroad Right of Way that is westerly 45.59 feet from the southwesterly line of Valley Boulevard (formerly San Bernardino Road and 66 feet wide); thence easterly along said last mentioned southerly line to the southwesterly line of Valley Boulevard, 76 feet wide; thence northwesterly along said last mentioned southwesterly line to the northerly line of said Pacific Electric Railroad Right of Way as it existed on October 18, 1965; thence westerly along said last mentioned northerly line to the southeasterly line of the Rio Hondo Flood Control Channel Right of Way; thence northeasterly along said last mentioned southeasterly line to a line parallel with and southwesterly 50 feet at right angles to the center line of the Southern Pacific Railroad Right of Way, 100 feet wide; thence southeasterly along said parallel line to said point of beginning.

6701.1. DELINEATION. For purposes of graphic illustration, the boundaries of said Area as described in the preceding Section are delineated on the following map of the Area:

6701.1. (Continued). MAP DELINEATING BOUNDARIES OF PARKING AND BUSINESS IMPROVEMENT AREA.



6702. USES AND PURPOSE. The uses and purpose to which the additional revenue emanating from said Area pursuant to and as a result of this Chapter shall be put are any one or more of the following:

a. The acquisition, construction or maintenance of parking facilities for the benefit of the Area.

b. Decoration of any public place in the Area.

c. Promotion of public events which are to take place on or in public places in the Area.

d. Furnishing of music in any public place in the Area.

e. The general promotion of retail trade activities in the Area.

6703. BUSINESS CLASSIFICATION AND RATE OF LEVY. The initial rate of increase or the additional levy of the general business license tax imposed upon the businesses within said Area and the breakdown by class of business, are hereby fixed, levied, determined and established as follows:

CLASSIFICATION OF BUSINESSES	AMOUNT OF ADDITIONAL TAX
CLASS A. Business of manufacturing Business of selling at wholesale only	No additional tax
CLASS B. Pawn brokers	An additional tax equal to one-half (1/2) of the City business license tax otherwise applicable to such business.
CLASS C. Medical, dental and optical laboratories Newspaper and magazine agencies Retail sale of newspapers, magazines, tobacco and items incidental thereto. Undertaking establishments	An additional tax equal to the City business license tax applicable to each such respective business.
CLASS D. Advertising agencies Attorneys Apartment houses, hotels, motels, motor courts, tourist courts, trailer parks, bungalow courts, auto camps Auto dealers Automotive repair Chiropractors Contractors and engineers Medical and dental doctors Optometrists Printers Psychoanalysts Public bookkeeping, accounting Public utilities, including gas, electrical and telephone Real estate brokers Veterinarians All other professions licensed and regulated by the State of California and not specifically otherwise classified herein.	An additional tax in an amount two (2) times the City business license tax applicable to each such respective business.

CLASS E.	
Cleaners and cleaners agents and agencies Laundromats and self-service laundries and cleaners Laundry agents and agencies Rental agents and agencies Rental leasing companies Shoe repair shops	An additional tax in an amount equal to three (3) times the City business license tax applicable to each such respective business.
CLASS F.	
Newspaper publishers Service stations Theatres	An additional tax in an amount equal to four (4) times the City business license tax applicable to each such respective business.
CLASS G.	
All other businesses not included within Class A, B, C, D, E or F, including the following: Barber shops Bars Beauty shops Cafes Massage parlors Personal and Real Estate loan agents and agencies Photo studios Restaurants Second hand dealers and stores Tailors and tailor shops Trade schools Trading stamp agencies and redemption centers All other businesses involving retail sales, professional and semi-professional occupations	An additional tax in an amount equal to five (5) times the City business license tax applicable to each such respective business.

6704. MULTIPLE BUSINESSES. Whenever a business is susceptible to more than one business classification under Article VI of the El Monte Municipal Code or under any of the classifications hereinabove set forth, the highest business license applicable under the El Monte Municipal Code and the classification hereinbefore set forth which produces the greatest additional tax shall be used and applied to such business.

6705. PAYMENT OF TAX. The additional tax hereby levied shall be due and payable and shall be paid at the same time and in the same manner that the business license tax imposed by Chapter 2 of this Article is due and payable in accordance with the terms of this Chapter.

6705.1. SAME. INSTALLMENTS. Notwithstanding the provisions of the preceding Section, businesses in the Area described in Section 6701 and licensed by the City pursuant to Article VI of this Code prior to January 1, 1966, may pay the additional levy of the general business license tax imposed by Section 6703, in two (2) equal installments, in which event the first installment shall be paid concurrently with the business license tax imposed by Chapter 2 of this Article, and the second installment shall be paid on or before July 1, 1966. This Section shall apply only to the additional levy of the general business license tax imposed by this Chapter which is due and payable during the Calendar Year 1966. Notwithstanding the fact that a business subject to this Chapter elects to pay in installments the additional levy imposed by this Chapter, the entire amount of the additional levy of the general business license tax imposed by Section 6703 shall be due at the same time that the business license tax imposed by Chapter 2 of this Article is due. Any business license that may have been issued to a business electing to pay in installments the additional tax levied by this Chapter shall automatically become void and of no effect if an installment of the additional tax levied by this Chapter is not paid on or before the date that any such installment is due and payable.

6705.2. APPLICABILITY OF GENERAL BUSINESS LICENSE PROVISIONS. The provisions of Sections 6103, 6104, 6105, 6106, 6107, 6111, 6112, 6121, 6121.1, 6121.2, 6122, 6122.1, 6123, 6127, 6128, 6129, 6131, 6132, 6133, 6134, 6136, 6137, 6138, 6139, 6140, 6141, 6149, 6150, 6152, 6153 and 6154 shall be applicable to all businesses in the area described in Section 6701 and subject to the additional levy of the general business license tax imposed by Section 6703.

6706. PAYMENT PREREQUISITE TO LICENSE. No business license shall be issued pursuant to this Article unless the additional business license tax imposed by this Chapter is paid together with the business license payable pursuant to and imposed by Chapter 2 of this Article.

6707. REFUSAL TO PAY TAX. No person shall fail or refuse to pay the additional business license tax imposed by this Chapter.

SECTION 3. The City Clerk shall certify to the adoption of this Ordinance and shall cause the same to be published once in the official newspaper.

Passed, approved and adopted this 22nd day of November, 1965.

Mayor of the City of El Monte

ATTEST:

City Clerk of the City of El Monte

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF EL MONTE)

I, VIOLA M. NICOLET, City Clerk of the City of El Monte, hereby certify that the foregoing Ordinance No. 1393 was passed and adopted by the City Council of the City of El Monte, signed by the Mayor and attested to by the City Clerk, at a regular meeting of said Council held on the 22nd day of November, 1965, and that said Ordinance No. 1393 was adopted by the following vote, to wit:

AYES: Councilmen Dagley, Ingram, Scott and Wiggins
NOES: None
ABSENT: Councilman Kading

City Clerk of the City of El Monte

ATTACHMENT 6 – PROPERTY ACQUISITION DOCUMENTATION (VACANT RIGHT-OF-WAY/EASEMENT PARCEL)

17

Chicago Title

88 947516

EXECUTION COPY

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

El Monte Community Redevelopment Agency
11333 Valley Boulevard
El Monte, California 91734
Attention: Agency General Counsel

FREE N

Free recording requested under Gov. Code 6103.

(Space Above For Recorder's Use)

DISPOSITION AND DEVELOPMENT AGREEMENT

This DISPOSITION AND DEVELOPMENT AGREEMENT (the "Agreement") is entered into by and between Baronian Development Co., Inc., a California corporation (the "Developer") and El Monte Community Redevelopment Agency, a public body, corporate and politic (the "Agency") and is dated February 1, 1988, for reference purposes only.

ARTICLE I

SUBJECT OF AGREEMENT

Section 1.01. Purposes of Agreement. The purpose of this Agreement is to provide for the implementation of the Redevelopment Plan for the Downtown El Monte Redevelopment Project (the "Redevelopment Plan") by providing for the purchase and the redevelopment of a portion of the Project Area (the "Site"). The Site consists of several parcels of real property as more fully described in Section 1.04 hereof. The redevelopment of the Site by the Developer pursuant to this

RECORDED IN OFFICIAL RECORDS OF LOS ANGELES COUNTY, CA
JUN 15 1988 AT 8 A.M.
Recorder's Office

A20:030.4-2/Ah#1

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Agreement (the "Project" as hereinafter described), and the fulfillment generally of the Agreement, are in the vital and best interests of the City of El Monte (the "City"), the Agency, and the health, safety, morals and welfare of the City's residents, and are in accord with the public purposes and provisions of applicable federal, state and local laws and requirements.

Section 1.02. The Project. Upon approval of this Agreement, the Developer shall commence and diligently proceed to complete the development of the Project which consists of the following individual phases:

Phase I - Construction of an approximately 18,000 square foot automobile tire center to be occupied by Star Tire Center, Inc.;

Phase II - Demolition of the existing tire center building and construction of approximately 12,000 square feet of commercial retail space. The site area for Phases I and II shall be the 94,842 square foot site identified hereafter as the Agency Parcel.

Phases I and II shall provide for appurtenant on-site parking and landscaping and reciprocal vehicle parking circulation improvement on the Site in accordance with plans as approved by the Agency.

Phase III - Work with the Agency and, if found to be mutually beneficial to each party to this Agreement, acquire and

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develop the approximately 72,434 square foot site (hereafter described as Assembly Parcel) with automotive related service shops (industrial land use type).

Section 1.03. [Reserved]

Section 1.04. The Site. The Site is composed of certain property as previously acquired by the Agency from the City of El Monte (the "Agency Parcel") and certain property (the "Assembly Parcel") which is presently owned by other parties who, at the election of the Agency (i) may participate in the redevelopment of such property upon terms acceptable to the Agency and the Developer or (ii) may dispose of such property by sale to the Agency. The Agency shall make such election regarding the disposition and redevelopment of the Assembly Parcel no later than July 1, 1990. The legal description of the Agency Parcel is set forth in Attachment No. 1 which is incorporated herein by this reference. The legal description of each of the four parcels of property constituting the Agency Parcel is included in Attachment No. 2 which is incorporated herein by this reference. A map of the Assembly Parcel is attached as Attachment No. 3 which is incorporated herein by this reference.

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The Agency Parcel includes four (4) separate legal parcels of real property. The Assembly Parcel includes four (4) separate legal parcels of real property currently under separate ownership. For purposes of convenience and reference, the components of the Site are identified as follows:

Agency Parcel 1 -- property located on Peck Road and known as Parcel 900 on Book 8567, page 19 of Tax Assessor's Parcel Map.

Agency Parcel 2 -- property located on Peck Road and known as parcel 4 on Book 8567, page 19 of Tax Assessor's Parcel Map.

Agency Parcel 3 -- property located on Peck Road and known as Parcel 901 on Book 8567, page 19 of Tax Assessor's Parcel Map.

Agency Parcel 4 -- property located on Peck Road and known as parcel 902 on Book 8567, page 19 of Tax Assessor's Parcel Map.

Assembly Parcel A -- the property located on Meeker Avenue and known as parcel 18 on Book 8567, page 19 of Tax Assessor's Parcel Map.

Assembly Parcel B -- the property located on Meeker

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Avenue and known as Parcel 19 on book 8567, page 19 of Tax Assessor's Parcel Map.

Assembly Parcel C -- the property located on Meeker Avenue and known as Parcel 20 on Book 8567, page 19 of Tax Assessor's Parcel Map.

Assembly Parcel D -- the property located on Meeker Avenue and known as Parcel 21 on Book 8567, page 19 of Tax Assessor's Parcel Map.

Section 1.05. Parties to the Agreement.

(a) The Agency is a public body, corporate and politic, exercising governmental functions and powers, and organized and existing under Chapter 2 of the Community Redevelopment Law of the State of California, Health and Safety Code Section 33000, et seq. The principal office of the Agency is located at 11333 Valley Boulevard, City Hall East, El Monte, California 91731, (818) 580-2001. As used in this Agreement, the term "Agency" shall be deemed to include the Agency and any assignee and/or successor to the Agency or to its rights, powers and responsibilities under this Agreement.

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(b) The Developer is as defined above. The principal office of the Developer for purposes of this Agreement is located at 818 Ridge Crest Street, Monterey Park, California 91745. The Developer has previously provided to the Agency satisfactory evidence of the legal formation and existence of the Developer and the good standing of the Developer with the State of California to transact business within the State, to hold title to the Site and to develop the Project, as hereinafter defined.

Section 1.06. Prohibition Against Change in Ownership, Management and Control of the Developer. The qualification of the Developer are of particular concern to the Agency. It is because of these qualifications that the Agency has entered into this Agreement with the Developer. Prior to the issuance of a Certificate of Completion, no voluntary or involuntary successor in interest of the Developer or of its constituent member, shall acquire any rights or powers under this Agreement in the Project or any portion of the Site unless Baronian Development Co., Inc., shall remain as the controlling general partner of the resulting entity, if a joint venture or partnership, or a majority interest holder in any other resulting entity, with the following exceptions:

(a) Except as otherwise provided in this Section 1.06 or in Section 3.05 of the Agreement, the Developer shall not assign all or any part of this Agreement prior to the issuance of a Certificate of Completion without the prior written approval of the Agency, which approval shall not be unreasonably withheld;

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(b) Upon the sale of all or a part of the Project or any portion of the Site subsequent to the issuance of a Certificate of Completion;

(c) Successors in interest who may acquire an interest in the Project or any portion of the Site subsequent to the issuance of a Certificate of Completion.

The Developer shall promptly notify the Agency in writing of any and all changes whatsoever in the identity of the parties in control of the Developer or in the degree of control thereof of any such party, of which information the Developer or any of its members, officers or shareholders has been notified or may otherwise have knowledge or information. This Agreement may be terminated by the Agency if there is any significant change, whether voluntary or involuntary, in membership, ownership, management or control of the Developer (other than such changes occasioned by the death, incapacity or divorce of any individual) such that Developer no longer remains as the controlling general partner of or majority interest holder in the resulting entity that has not been approved by the Agency at the time of such change, prior to issuance of the last of the Certificates of Completion for the Site or portion thereof as hereinafter provided; provided, however, that the Agency shall first notify the Developer of its intention to terminate this Agreement pursuant hereto and further provided that the Developer shall

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have twenty (20) calendar days following the date that the Agency submits said notice to the Developer to cure the default of the Developer hereunder and to submit evidence of such cure to the Agency in a form and substance deemed satisfactory to the Agency, in its reasonable discretion.

ARTICLE II

DISPOSITION OF SITE

Section 2.01. Redevelopment of the Assembly Parcel by the Agency; Acquisition of Assembly Parcel, and Sale by the Agency of the Assembly Parcel to the Developer. The Agency shall, in accordance with the Schedule of Performance (Attachment No. 4), negotiate in good faith with existing owners of the Assembly Parcels for the redevelopment and integration of such property into the Project and, at the election of the Agency, and if necessary and appropriate, the Agency may acquire all of such property for redevelopment by the Developer or other interested persons. If the Agency elects to acquire the Assembly Parcel, then the Agency shall proceed with the acquisition of any and all such parcels in the Assembly Parcel for disposition and redevelopment by the Developer or such other interested persons, including consideration of the adoption of any and all appropriate actions, public hearings and resolutions pertaining thereto. Notwithstanding the adoption and approval of this Agreement, the parties agree that any future consideration by the Agency of any action concerning the acquisition of any one or

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more of the parcels included within the Assembly Parcel pursuant to an action in eminent domain are conditioned upon and subject to the Agency making any and all findings as required by law at the time of the adoption of such resolution or such undertaking including, but not limited to, findings that:

1. The public interest and necessity required the Project; and
2. That the Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury; and
3. That the property sought to be acquired is necessary for the Project; and
4. The Agency has made diligent efforts to involve the owners of property in the Assembly Parcel in the redevelopment of the property.

Section 2.02. Disposition Price to the Developer of Assembly Parcel. If the Agency elects to acquire the Assembly Parcel in order to provide for the redevelopment of such property in coordination with the development of the Project, the Agency and the Developer shall in good faith exercise best efforts to negotiate a final disposition price and related terms of the final transfer to the Developer of the Assembly Parcel. Such disposition price to the Developer shall be as negotiated between the parties, using as a basis for negotiation a reuse appraisal of the Assembly Parcel and an acquisition and relocation appraisal and based upon a plan for the redevelopment of the Assembly Parcel acceptable to and approved by the Agency. Said

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disposition price shall include a credit to the Developer in an amount sufficient to reimburse the Developer for the costs of an acquisition and relocation appraisal.

Section 2.03. [RESERVED]

Section 2.04. [RESERVED]

Section 2.05. Sale and Escrow of Agency Parcel. The Agency hereby agrees to sell and convey the Agency Parcel to the Developer and the Developer hereby agrees to purchase the Agency Parcel from the Agency for a total purchase price of One Million Two Hundred Fifty Thousand Five Hundred Ninety Dollars ($1,250,590.00). The Developer shall complete the acquisition and purchase of the Agency Parcel in accordance with the Schedule of Performance. The Developer shall pay the Agency the following amounts for the purchase of the Agency Parcel:

Agency Parcel 4	$ 122,031.28;	(less $15,000 credit; for a net purchase price of $107,031.28)
Agency Parcel 3	$ 213,243.72;	
Agency Parcel 2	$ 260,535.00;	and
Agency Parcel 1	$ 654,780.00.	

The Agency and the Developer shall provide and execute such additional escrow instructions consistent with this Agreement as shall be necessary. Greater El Monte Escrow is

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hereby designated the Escrow Agent. The Escrow Agent hereby is empowered to act under this Agreement, and upon indicating its acceptance of this Section 2.05 in writing, delivered to the Agency and the Developer within five (5) days after the establishment of the escrow, shall carry out its duties as Escrow Agent hereunder.

Upon delivery by the Agency to the Escrow Agent of the grant deed(s) for an individual Agency Parcel, substantially in the form attached hereto as Attachment No. 5 and the receipt by the Escrow Agent of a properly executed performance deed of trust approved by the parties hereto incorporating the provisions set forth in Section 2.19 hereof, the Escrow Agent shall record such grant deed(s) and performance deed(s) of trust in accordance with these escrow instructions provided that the title to such Agency Parcel to the extent provided in this Agreement 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 Agency and the Developer agree to and shall deliver to the Escrow Agent all documents necessary for the conveyance of title to an Agency Parcel to the extent provided in this Agreement, in conformity with, within the times, and in the manner provided in this Agreement.

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The Developer shall pay in escrow to the Escrow Agent one-half of the escrow fees and all other fees and costs customarily paid by the purchaser, and the Agency shall pay one-half of the escrow fees, the title insurance costs, and all other charges and other costs customarily paid by the seller, in connection with the conveyance to the Developer of an individual Agency Parcel promptly after the Escrow Agent has notified the Agency and the Developer of the amount of such escrow fees, charge and costs, but not earlier than the scheduled date for the conveyance of such Agency Parcel.

The Escrow Agent is authorized to:

1. Pay and charge the parties for any escrow fees, charges and costs payable under this Section 2.05 of this Agreement;
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 Agency and the Developer. Such funds shall not be disbursed and delivered by the Escrow Agent to the Agency unless and until it has recorded the grant deed to the Agency parcel and has delivered to the Developer an ALTA extended coverage title insurance policy with survey insuring title and conforming to the requirement of Section 2.12 of this Agreement.

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3. Record any instruments delivered through the escrow if necessary or proper to vest title in the Developer in accordance with the terms and provisions of these escrow instructions.

4. Record (i) this Agreement and (ii) a declaration of covenants, conditions, restrictions and reciprocal easements applicable to the Site and a declaration of reciprocal vehicle access easements applicable to the Site, both as provided in Section 2.11 hereof.

If this escrow is not in condition to close on or before the time for conveyance of Agency Parcel 4 or thereafter in connection with conveyance of any other individual Agency Parcel at such time as established in the Schedule of Performance, either party who then shall have fully performed the acts to be performed before the conveyance may, in writing, demand the return of its money, papers or documents from the Escrow Agent and/or the termination of this Agreement under Section 5.06(a) and Section 5.06(b). No demand for return of such funds shall be recognized until ten (10) calendar days after the Escrow Agent shall have mailed copies of such demand to the other party or parties by certified mail at the address of its principal place of business as set forth in Section 1.05. Objections, if any, shall be raised by written notice to the Escrow Agent and to the other other party within said ten (10) calendar day period, in which event, the Escrow Agent is authorized to hold all money, papers and documents with respect

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to the individual Agency Parcel until instructed by a mutual agreement of the parties or upon failure of the parties to agree, then by order or decree of a court of competent jurisdiction. The Agency and the Developer are hereby authorized to extend the closing of escrow by a mutual agreement. If no demands are made, the escrow shall be closed as soon as possible.

The Escrow Agent shall not be obligated to return any such money, papers or documents except upon the written instructions of both the Agency and the Developer, or until the party entitled thereto has been determined by a final decision of a court of competent jurisdiction, except that such documents, money and papers shall be returned pursuant to Sections 5.06(a) and 5.06(b).

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

All communications from the Escrow Agent to the Agency or the Developer shall be directed to the addresses established in Section 1.05 of this Agreement for notices, demands and communications between the Agency and the Developer.

The liability of the Escrow Agent under this Agreement is limited to performance of the obligations imposed upon it under Sections 2.05 to 2.14, inclusive, of this Agreement.

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In the event that the Agency finds and determines that it is necessary for the Agency to acquire one or more of the parcels constituting the Assembly Parcel by initiating condemnation proceedings, the Agency hereby acknowledges and agrees to execute such appropriate amendments to these escrow instructions as may be necessary to accomplish such acquisition by the Agency of such parcels, including such amendment as may be necessary to provide for the release of funds from escrow for deposit with the Clerk of the Superior Court in connection with any such condemnation proceeding.

Section 2.06. Conveyance of Title of Assembly Parcel and Delivery of Possession. In the event that the Agency shall elect to acquire and shall determine that the public interest and necessity require the acquisition of the Assembly Parcel, the Agency agrees to sell and the Developer agrees to purchase the Assembly Parcel, subject to the conditions set forth in Section 2.01 and 2.09. Conveyance to the Developer of title, or, if requested, possession, to the Assembly Parcel or any portion thereof in accordance with the provisions of this Section 2.06 and Section 2.08 of this Agreement shall be completed on or prior to the date specified in the Schedule of Performance. The Agency and the Developer agree to perform all acts necessary for conveyance of title, in the form and to the extent required herein, in sufficient time for title to be conveyed in accordance with the foregoing provisions. Notwithstanding this provision or

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any other provision of this Agreement, the Agency is not obligated to sell the Assembly Parcel to the Developer nor is the Developer obligated to purchase the Assembly Parcel from the Agency.

Possession of the Assembly Parcel, or portion thereof, shall be delivered to the Developer and its nominee, if any, concurrently with the conveyance of title, or as otherwise provided in this Section 2.06; except that access and entry may be granted before conveyance of title or possession as permitted pursuant to this Section 2.06 and Section 2.17 of this Agreement.

Notwithstanding any provision herein to the contrary, in the event that the Agency commences an action in eminent domain to acquire any portion of the Assembly Parcel, and it is determined that it is necessary that the Agency obtain an order for prejudgment possession from a court of competent jurisdiction in order to be able to convey possession of the Assembly Parcel or portion thereof to the Developer hereunder on or before the close of Escrow, the Agency shall prepare and file any and all documents necessary for the Agency to acquire prejudgment possession of such property. In such event, for purposes of this Agreement, Escrow shall be deemed to be in a position to close at such time as the Agency can deliver and convey to the Developer possession of such portion of the Assembly Parcel, subject to the Title Company's agreement to issue title insurance in the form required by Section 2.12 hereof, upon the conclusion of any pending proceedings in eminent domain, including any and all

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deed. The final location of the reserved easement for the benefit of the Agency and its successors and assigns for vehicle and pedestrian access and egress shall be determined upon the approval by the Agency of a development concept for the Assembly Parcel by either the Developer or other interested parties. The obligations and burdens of the Agency and its successors and assigns with respect to said reservation of easement shall be more particularly described in a declaration of covenants, conditions and restrictions as generally described in Section 2.11. Title to the Assembly Parcel shall be subject to such encumbrances, easements and other matters as shall be approved by the Developer.

Section 2.09. Conditions for Close of Escrow for Sale of the Agency Parcel to Developer. (a) The Developer's obligation to purchase Agency Parcel and the close of escrow for the acquisition of each Agency Parcel shall be expressly conditioned upon satisfaction or waiver of the Developer of each of the following:

1. Receipt by the Developer of written approval by the Agency of the design review application of the Developer with respect to the Agency Parcel.
2. The Executive Director and the Agency General Counsel and the Developer shall have reasonably approved a declaration and agreement of covenants,

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binding commitments for construction financing necessary for the development of the Agency Parcel in accordance with this Agreement, or that the Developer has sufficient funds of its own for this purpose. Any and all sources of financing for the development of the Site shall be reputable, recognized and well-established financial institutions or lending sources including, but not limited to, banks, savings and loan institutions, insurance companies, real estate investment trusts, pension programs and the like. When the source of funding for all or any part of the development is other than the Developer, the Developer shall submit the following to the Agency:

1. Copies of all financing commitments received by the Developer.

2. Proof of acceptance of each loan commitment by the Developer and proof of payment of all up-front loan commitment fees required to fund the financing commitments.

3. Evidence of the obligation to provide equity capital contributions to the Developer, if any.

Section 2.10. Certificates of Participation. Agency Parcels 2 and 3 are included in the security for repayment of $7,830,000 1987 Refunding Certificates of Participation (El Monte Public Facilities Capital Improvement Project) delivered by the City of El Monte pursuant to an Assignment and Trust Agreement dated as of April 1, 1987 (the "Trust Agreement"). Agency Parcels 2 and 3 are scheduled to be released on or about October 1, 1988, as such security upon the payment by the City of El Monte to the Trustee under the Trust Agreement on April 1, 1988, of $178,372.50 and on October 1, 1988, of $833,372.50.

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Section 2.11. Covenants, Conditions, Restrictions and Reciprocal Easements; Reciprocal Vehicle Access Easements; Slope Easement. The Developer shall enter into a declaration of covenants, conditions, restrictions and reciprocal easements which shall contain, among other things, covenants to maintain the Project in good and serviceable condition and in accordance with the Redevelopment Plan. In the event of nonperformance of maintenance, the Agency shall, upon notice to the Developer, enter the Project and perform or cause to be performed any required maintenance. All costs and expenses of such maintenance work shall be reimbursed to the Agency and, so long as such reimbursement has not been made, shall constitute a lien upon the Project.

The Developer agrees to extend reasonable preference and reciprocal vehicle access rights, at the request of the Agency, which burden the Agency Parcel in order to permit the Assembly Parcel to be included in an overall integrated development in accordance with the Redevelopment Plan; provided however, that the Developer shall not be required to pay for the cost of any modification of the vehicle access improvements on the Agency Parcel as may be deemed reasonable and necessary to accommodate such development on the Assembly Parcel nor shall such accommodation result in a limitation upon the use of the Project by the Developer or any of the tenants of the Developer; further provided that the Assembly Parcel shall be subject to the

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reciprocal burdens and expenses of any such reciprocal vehicle access rights; and further provided that Developer is not obligated to consent to an extension of, or may revoke, as appropriate such reciprocal vehicle access if the use of the Assembly Parcel is incompatible with the Developer's use or use by any of Developer's tenants, subtenants or assignees thereof of the Agency Parcel as an automotive services and repair center or if the use of all or any portion of the Assembly Parcel is duplicative of the Developer's use or the use by any of Developer's tenants, subtenants or assignees thereof of the Agency Parcel. If use of the Assembly Parcel or any portion thereof is incompatible with or duplicative of the use of the Agency Parcel by the Developer or the use by any of Developer's tenants, subtenants or assignees thereof, the Developer may, but is under no obligation to, consent to extending reciprocal vehicle access rights, or may revoke, as appropriate. Costs of maintenance of such reciprocal vehicle access rights shall be paid by the Developer and the owners of the Assembly Parcel as reasonably agreed to among such parties.

The Developer agrees to enter into a declaration of reciprocal vehicle access easements setting forth the reciprocal access obligations and the reservation of easements contained in this Section 2.11.

The Agency hereby reserves, and the Developer hereby agrees to the reservation of an easement for public railroad grade separation purposes in the slope area along the Peck Road frontage of the Site.

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Section 2.12. Soil Testing. The Developer shall be responsible for investigating the soil conditions of the Agency Parcel within forty-five (45) days of the opening of escrow. If the Developer does not approve soil conditions within said forty-five (45) days, the Developer may cancel the escrow. Upon such cancellation, the Agency shall promptly reimburse the Developer up to $20,000 for costs incurred in connection with the investigation of soil conditions on the Agency Parcel, and the report concerning said soil conditions shall be delivered by the Developer to the Agency.

The Developer shall have right of entry to Agency Parcels 2 and 3 for the purpose of soil testing, and the Agency shall hold the Developer harmless from any and all claims arising from soil testing on Agency Parcels 2 and 3. The Developer shall indemnify and hold the Agency harmless from any and all claims arising from soil testing on Agency Parcels 1 and 4.

The Agency expressly does not warrant satisfactory soil conditions on the Agency Parcel, nor shall the Developer rely on any investigation of soil conditions heretofore undertaken by the Agency.

Section 2.13. Taxes and Assessments. Ad valorem taxes and assessment, if any, on the Agency Parcels (except for the possessory interest of the Developer under lease on Agency Parcels 1 and 4 which shall be the obligation of the Developer) levied, assessed or imposed as to any period prior to conveyance of title through the escrow hereunder, shall be borne by the

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Agency. All ad valorem taxes and assessments levied or imposed on the Site as to any period after the close of escrow for conveyance of the Agency Parcel, or portion thereof, and the Assembly Parcel, if applicable, shall be paid by the Developer.

Section 2.14. Possession of the Agency Parcels. The Agency agrees that title to the Agency Parcels, or a portion thereof, shall be conveyed free and clear of any recorded or known possession or use except that of the Developer, and further excepting the encumbrances and easements as generally shown in Attachment No. 7 or the exceptions to title as may be approved by the Developer.

Section 2.15. Zoning of the Site and Environmental Approvals. The Agency represents that the development regulations of the City permit the contemplated development, construction and operation of the Site, subject to the Developer obtaining any and all necessary conditional use permits required pursuant to said development regulations, and further subject to the Developer obtaining any and all development approvals including, but not limited to, those approvals necessary for height, parking, signs and any and all other matters, and further subject to the Developer obtaining a zoning change for the Assembly Parcel to C-3, General Commercial Use. In the event that the rezoning of the Assembly Parcel is withheld by the City, the Developer and the Agency shall re-evaluate further development of the Assembly Parcel.

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The Developer shall apply for all necessary permits as provided in Section 3.01(1) herein. All applicable environmental requirements pursuant to CEQA in connection with the conveyance of the Agency Parcel and/or the Assembly Parcel to the Developer shall have been completed by the Agency on or before the close of escrow for the respective conveyances of Agency Parcels 1, 2, 3 and 4.

Section 2.16. Condition of the Agency Parcels. The Agency Parcels shall be conveyed to the Developer in an "as is" condition with no warranty or liability except as otherwise provided herein, express or implied on the part of the Agency as to the condition of the soil, its geology or the presence of known or unknown faults or defects, including without limitation soil contamination. It shall be the sole responsibility of the Developer, at the Developer's expense, to investigate and determine the soil and seismic conditions of the Agency Parcels and their suitability for the development to be constructed thereon in accordance with applicable building and development codes. It shall be the sole responsibility of the Developer, at the Developer's expense, to perform all work necessary to prepare the Agency Parcels for the development of the Site as contemplated in accordance with the Site Improvement Plan Concept as set forth in Attachment No. 7. Notwithstanding the foregoing, the Developer has no obligation to perform any work with respect to the slope area along the Peck Road frontage of the Site and the slope easement reserved by the Agency pursuant to Section 2.11 hereof.

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Section 2.17. Preliminary Work by the Developer. Prior to the conveyance of title to the Developer of Agency Parcels 1, 2, 3 and 4, representatives of the Developer shall have the right of access from time to time to those portions of the Agency Parcels owned by or in the possession of the Agency or the City at all reasonable times for the purpose of obtaining data and making surveys and tests necessary to implement this Agreement and in order to advertise all or any portion of the Site for lease, including the placement of a sign in conformance with any and all requirements of the City therefor in order to advertise the Site for lease and to advertise the intended development of the Site. The Developer hereby agrees to indemnify and hold the Agency and the City harmless for any injury or damages arising from any activity of the Developer, its agents, employees, consultants, and contractors, performed and conducted on the Agency Parcels pursuant to this Section 2.17. The Developer shall have access to all data concerning the physical condition of the Agency Parcels in the possession of the Agency.

Section 2.18. Adjacent Property. The Developer acknowledges that property adjacent to the Site includes the Baker's Square Restaurant property south of the Agency Parcel. If at some future date, Baker's Square Restaurant or a successor restaurant user submits a proposal to the Developer to purchase

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footage along the southern lot line of the Agency Parcel from the Developer for parking purposes, the Developer hereby agrees to give consideration to such proposal from Baker's Square Restaurant.

Section 2.19. Performance Deed of Trust. The Developer shall execute a performance deed of trust in connection with each legal parcel constituting the Agency Parcel, at the time such parcel is acquired by the Developer, which secures the obligations of the Developer to construct the Project. The form of performance deed of trust shall be reasonably approved by the Developer and the Agency and shall include (i) a provision that in the event of foreclosure, the Agency shall make a credit bid at the foreclosure sale in an amount not less than Developer's acquisition price with respect to the legal parcel constituting the Agency Parcel; (ii) a provision that the Agency shall deliver to the Developer a reconveyance at such time as a Certificate of Completion is recorded with respect to the legal parcel constituting the Agency Parcel; and (iii) a provision that the performance deed of trust is subordinate to any lien on the legal parcel constituting the Agency Parcel in favor of a purchase money or construction lender on the legal parcel constituting the Agency Parcel.

ARTICLE III

DEVELOPMENT OF THE PROJECT

Section 3.01. Development by Developer.

(a) Scope of Development. The Project shall be developed in substantial accordance with the Site Improvement

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Plan Concept which is included in the Development Proposal dated as of June 25, 1987, submitted to the Agency on behalf of the Developer and by this reference incorporated herein, with such changes in plan concept as the Agency may approve. The Site Improvement Plan Concept is attached to this Agreement as Attachment No. 7.

The Developer shall provide to the Agency and as such becomes known to the Developer a list of all proposed tenants, their proposed usage, approximate number of employees and square footage of space to be occupied.

The City's development regulations including, but not limited to, parking and height requirements, for development are applicable to the use and development of the Project pursuant to this Agreement, and any change in the plans for development or the use of the Project may relate to such parking and height requirements. No action by the Agency or the City with reference to this Agreement or related documents shall be deemed a waiver of any City parking or height requirements which are applicable to the Developer, any successor in interest or tenant of the Developer or any tenant or successor in interest pertaining to the Project, except by modification approved by the City consistent with this Agreement.

(b) Plans and Concept Drawings. The Developer shall prepare and submit for approval by the Agency plans and concept drawings for the Project based upon the Site Improvement Plan Concept including building renderings, and conceptual landscape plans. The Agency agrees to approve preliminary and final construction plans, and preliminary and final landscaping plans,

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if reasonably consistent with the approved Site Improvement Plan Concept Plans. Such approvals of the basic concept drawings by the Agency shall not be binding upon the City Council or the Planning Commission of the City with respect to any such approvals.

Developer shall have the right to make non-material changes in building location and size of building, parking layout and traffic flow on the Site. The Agency shall cooperate with and shall assist the Developer in order to obtain the approval of any and all reasonable development plans submitted by the Developer to the City consistent with this Agreement within thirty (30) calendar days of the City's receipt of said plans. Any failure by the City to approve any of such plans or to issue necessary permits for the development of the Project within said thirty (30) calendar day period shall constitute an enforced delay hereunder, and the Schedule of Performance shall be extended by that period of time beyond said thirty (30) calendar day period in which the City approves said plans; provided, however, that in the event that the City disapproves of any of such plans, the Developer shall promptly revise and resubmit such plans in accordance with the City's requirements in order to obtain the City's approval thereof.

(c) Landscaping Plans. The landscaping plans shall be prepared by a licensed landscape architect. Said landscape architect may be the same firm as the architect hired by the Developer. The Developer shall prepare and submit to the Agency for its approval, preliminary and final landscaping plans for the

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Project. These plans shall be prepared, submitted and approved within the times respectively established therefor in the Schedule of Performance and shall be consistent with the Site Improvement Plan Concept. The Developer has no obligation to provide or maintain landscaping with respect to the slope area along the Peck Road frontage of the Site and the slope easement reserved by the Agency pursuant to Section 2.11 hereof.

(d) Construction Drawings and Related Documents. The Developer shall prepare and submit construction drawings and related documents for the development of the Site to the City and the Agency for review (including, but not limited to, architectural review of the exterior) and written approval as and at the times established in the Schedule of Performance and consistent with the Site Improvement Plan Concept; provided however, that the Agency shall not approve construction drawings, but shall only have the right of architectural review and approval. The construction drawings and related documents shall be submitted in two stages, preliminary and final drawings (i.e., working drawings), plans and specifications. Final drawings, plans and specifications are hereby defined as those in sufficient detail to obtain a building permit from the City. Any items so submitted and approved in writing by the Agency shall not be subject to subsequent disapproval, and any such Agency approval shall not be unreasonably withheld.

During the preparation of all drawings and plans, the Agency Staff and the Developer shall hold regular progress meetings to coordinate the preparation, submission and review of

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construction plans and related documents by the City and the Agency. The Agency Staff 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 and the Agency can receive prompt and speedy consideration.

If any revisions or corrections of plans approved by the Agency shall be required by a government official, agency, department or bureau having jurisdiction over the development of the Site, the Developer and the Agency shall cooperate in efforts to obtain waivers of such requirements or approvals of any such revisions or corrections which have been approved by the Agency. The Agency shall not unreasonably withhold approval of such revisions and corrections. The Developer, however, agrees to accept and comply fully with any and all reasonable conditions of approval on all permits and other governmental actions affecting this project and consistent with this Agreement.

(e) Agency Approval of Plans, Drawings and Related Documents. The Agency shall have the right of reasonable architectural review of building exteriors and of all plans, drawings and related documents for the development of the Site if such are inconsistent with the Site Improvement Plan Concept for the Site set forth in Attachment No. 7. Nothing contained herein shall preclude the City from reviewing all plans, drawings and documents for the development of the Site including any changes thereon. The Agency shall approve such modified or revised plans, drawings and related documents referred to in this Agreement within the times established in the Schedule of

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Performance as long as such plans, drawings and related documents are consistent with the reuse analysis prepared for the Agency with respect to the Site, and any other plans which have been approved by the Agency. Any disapproval shall state in writing the reasons for such disapproval. The Developer, upon receipt of a disapproval shall revise such portions of the plans, drawings or related documents in a manner that addresses the reasons for disapproval and reasonably meets the requirements of the Agency, shall resubmit such revised portions to the Agency as soon as possible after receipt of the notice of disapproval and, in any event, no later than thirty (30) calendar days thereafter. The Agency shall approve or disapprove such revised portions in the same manner and within the same times as provided in this Section 3.01 for approval and disapproval of plans, drawings and related documents initially submitted to the Agency. The Schedule of Performance shall automatically be extended for any additional period required for the resubmission of plans by the Developer to the Agency for approval; provided, however, that the Developer makes a good faith effort to meet any and all reasons for disapproval earlier set forth by the Agency. No matter once approved shall be subsequently disapproved unless mutually agreed by the parties.

(f) Changes in Final Construction Drawings. If the Developer desires to make any change in the final construction drawings and related documents after their approval by the Agency, the Developer shall submit the proposed change to the

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Agency for its approval. At such time the Developer shall submit a request for extension of the Schedule of Performance, if such extension is necessary. If the proposed change is approved, the Agency shall notify the Developer of such approval in writing within thirty (30) calendar days after submission to the Agency. This thirty (30) calendar day period may be extended by mutual consent of the Developer and the Agency. Such change in the final construction drawings shall, in any event, be deemed approved by the Agency unless rejected, in whole or in part, by written notice thereof submitted by the Agency to the Developer, setting forth in detail the reasons therefor, and such rejection shall be made within said thirty (30) calendar day period. The Developer, upon receipt of a disapproval, may revise such portions as are rejected and shall thereafter resubmit such change to the Agency for approval in the manner herein provided.

The Developer shall have the right during the course of construction to make "minor field changes" without seeking the approval of the Agency. Said "minor field changes" shall be defined as those changes from the approved final construction drawings which have no material adverse effect on the improvements and are made in order to expedite the work of construction in response to field conditions. Nothing contained in this Section 3.01 shall be deemed to waive or change the City Building Code requirements governing such changes.

(g) Cost of Construction; Other Costs. The cost of developing the Site and of constructing all improvements thereon including any related off-site improvements necessary or

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convenient in connection with the development of the Project, shall be borne by the Developer or its nominees, as appropriate except (i) as otherwise provided at Section 2.16 or otherwise in this Agreement and (ii) improvements pursuant to the Peck Road Grade Separation Project.

(h) Schedule of Performance. The Developer shall begin and complete all planning, construction and development within the times specified in the Schedule of Performance or within such reasonable extensions of times as may be granted by the Agency or as provided for in this Agreement. The Schedule of Performance is also subject to revision from time to time as mutually agreed upon in writing by and between the Developer and the Agency. Any and all deadlines for performance by the parties shall be extended for any times attributable to delays caused by the other party, other than periods for review and approval or reasonable disapprovals of plans, specifications or applications for permits as provided in the Schedule of Performance.

Prior to and during the period of construction, the Developer shall submit to the Agency written progress reports when and as requested by the Agency. The reports shall be in such form and detail as may reasonably be required by the Agency, and shall include a reasonable number of construction photographs taken since the last report submitted by the Developer.

(i) Performance Bond and Completion Bond. The Developer shall provide or cause to be provided, prior to the beginning of construction of Phase I, a performance bond in an

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amount not less than 105% of estimated construction costs for construction of Phase I. The Developer shall provide or cause to be provided, prior to the beginning of construction of Phase I, a completion bond in an amount not less than 105% of the estimated construction costs for construction of Phases I and II.

(j) Bodily Injury and Property Damage Insurance. Prior to the commencement of construction of the Project, the Developer shall furnish, or shall cause to be furnished, to the Agency, duplicate originals or appropriate certificates of public indemnity and liability insurance in the amount of One Million Dollars ($1,000,000.00) combined single limit, naming the Agency and the City as additional insureds. Said insurance shall cover comprehensive general liability including, but not limited to, contractual liability; acts of subcontractors; premises-operations; explosion, collapse and underground hazards, if applicable; broad form property damage, personal injury including libel, slander and false arrest. In addition, the Developer shall provide to the Agency adequate proof of comprehensive automobile liability insurance covering owned, non-owned and hired vehicles, combined single limit in the amount of One Million Dollars ($1,000,000.00) each occurrence; and proof of workers compensation insurance. Any and all insurance policies required hereunder shall be obtained from insurance companies admitted in the State of California and rated at least B+: XII in Best's Insurance Guide. All said insurance policies shall provide that they may not be cancelled unless the Agency

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and the City receive written notice of cancellation at least thirty (30) calendar days prior to the effective date of cancellation. Any and all insurance obtained by the Developer hereunder shall be primary to any and all insurance which the Agency and/or City may otherwise carry, including self insurance, which for all purposes of this Agreement shall be separate and apart from the requirements of this Agreement. Any insurance policies governing the Site as obtained by the Agency shall not be transferred from the Agency to the Developer. Appropriate insurance means those insurance policies approved by the Agency Counsel consistent with the foregoing. Any and all insurance required hereunder shall be maintained and kept in force until the Agency has issued its Certificate of Completion for the Project.

(k) Antidiscrimination During Construction. The Developer for itself and its successors and assigns agrees that in the construction of the improvements for the Project provided for in this Agreement, the Developer will not discriminate against any employee or applicant for employment because of sex, marital status, race, color, religion, creed, national origin, or ancestry.

(l) Local, State and Federal Laws. The Developer shall carry out its construction of the improvements on and off the Site in conformity with all applicable laws, including all applicable federal and state labor standards and requirements.

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(m) City and Other Governmental Agency Permits; Environmental Impact Reports. Before commencement of construction and development of any buildings, structures or other work or improvement associated with the Project, the Developer shall, at its own expense, secure or shall cause to be secured, any and all permits which may be required by the City or any other governmental agency affected by such construction and development. The Agency shall cooperate in good faith with the Developer in the Developer's efforts to obtain from the City such permits and certificates of occupancy.

(n) Rights of Access. Representatives of the Agency and the City shall have the reasonable right of access to the Project 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 construction the improvements. Such representatives of the Agency or the City shall be those who are so identified by the Executive Director of the Agency. Any and all representatives of the Agency and the City who enter the Site pursuant hereto shall identify themselves at the job site office on their entrance onto the Site and shall at all times be accompanied by a representative of the Developer while on the Site. The Agency shall indemnify and hold the Developer harmless

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from injury, property damage or liability arising out of the exercise by the Agency of this right of access, other than relating to the negligence of the Developer or its officers, agents or employees.

The Developer agrees to use reasonable efforts to secure the building area during construction to prevent unlawful entry and/or attractive nuisance.

The Agency shall inspect relevant portions of the construction site prior to issuing any written statements reflecting adversely on the Developer's compliance with the terms and conditions of this Agreement.

(o) Sign Posted During Construction. Throughout the period of construction of the improvements for the Project provided for in this Agreement, the Developer shall cause to be posted and shall maintain, at Developer's expense, a sign describing the construction as "El Monte Community Redevelopment Agency Project" and containing wording which identifies the Developer and the Project and gives leasing information, which wording is approved by the Executive Director of the Agency.

Section 3.02. Construction License. The Agency hereby grants to the Developer a revocable construction license across Agency Parcel 2 and Agency Parcel 3 to facilitate the Developer's access to Agency Parcel 4 for construction purposes. The construction license shall not be revoked by the Agency so long as the Developer is not in default under this Agreement.

Section 3.03. Taxes, Assessments, Encumbrances and Liens. Following acceptance of possession of the Site or any portion thereof, the Developer shall pay prior to delinquency all

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real property taxes and assessments assessed and levied on or against the Site in the possession of the Developer. The Developer shall not place and shall not allow to be placed on the Site any mortgage, trust deed, encumbrance or lien unauthorized by this Agreement. The Developer shall remove, or shall have removed, any levy or attachment made on the Site, 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 amounts 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 3.03 relating to the placement of any unauthorized mortgage, trust deed, encumbrance or lien shall remain in effect only until a Certificate of Completion of construction has been recorded with respect to the Site or any portion thereof upon which any unauthorized mortgage, trust deed, encumbrance or lien might be placed. Following recordation of the Certificate of Completion, Agency authorization or consent to any mortgage, trust deed, encumbrance or lien with respect to the Site is not required.

Section 3.04. Prohibition Against Transfer. Prior to the recordation of all Certificates of Completion (referred to in Section 3.07 of this Agreement) with respect to the Site, the Developer shall not, except as permitted by this Agreement, assign or attempt to assign this Agreement or any right herein, nor make any total or partial sale, transfer, conveyance, lease, leaseback, or assignment of the whole or any part of the Site or

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the improvements thereon, without prior written approval of the Agency. This prohibition shall not apply to any of the following: (i) any portion of the Site for which a Certificate of Completion has been issued hereunder; (ii) the grant of easements or permits to facilitate the development of the Site; (iii) leases to prospective tenants of retail or office space, provided that such tenants are not fast food establishments, doughnut shops, bars, video stores, used clothing stores, massage parlors, adult book establishments, game arcades and laundromats; and (iv) the sale or ground lease of portions of the Site as provided in this Section 3.04.

It is understood and agreed by the Developer that for a period of ten (10) years from the date of this Agreement, neither the Site, nor any portion thereof, shall be conveyed or leased by the Developer, its assigns or successors in interest to this Agreement or to the Site or any portion thereof, to any entity or party, or for any use of the Site, that is partially or wholly exempt from the payment of real property taxes pertinent to the Site, or any portion thereof. In the event that such a conveyance or lease may hereafter occur within such a ten (10) year period, the Developer for itself, its heirs and assigns hereby covenants and agrees that the Developer, its heirs and assigns shall pay to the Agency in each year or portion thereof an amount in lieu of ad valorem property taxes with respect to such portion of the Site which would otherwise be payable if such portion of the Site had not been conveyed, leased or used by such an exempt entity or party.

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Section 3.05. Security Financing; Right of Holders.

(a) No Encumbrances Except Mortgages, Deeds of Trust, Conveyances and Leases-Back or Other Conveyance for Financing for Development. Notwithstanding any provision set forth in Section 3.04 or in Section 1.06 to the contrary, mortgages, deed of trust, conveyances and leasebacks, or any other form of conveyance required for any reasonable method of financing are permitted before the recordation of the Certificate of Completion (referred to in Section 3.07 of this Agreement), but only for the purpose of securing loans of funds to be used for financing the acquisition of any parcel included within the Site, and any other expenditures necessary and appropriate to develop any such parcel included within the Site. The Developer shall notify the Agency in writing 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 Certificate of Completion. The Developer shall not enter into any such conveyance for financing the acquisition and development of any parcel or portion of the Site without prior written approval of the Agency, which approval the Agency agrees to grant if any such conveyance is given to a responsible financial or lending institution including, without limitation, banks, savings and loan institutions, insurance companies, real estate investment trusts, pension programs and the like, or other

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acceptable person or entity. Such lender shall be deemed approved unless rejected in writing by the Agency within fourteen (14) calendar days subject to written extension or shortening of time signed by both parties. Such lender approved by the Agency within or pursuant to this Section 3.05 shall not be bound by any amendment, implementation agreement or modification to this Agreement made subsequent to the closing of the loan to the Developer.

In any event, the Developer shall promptly, upon knowledge of, notify the Agency of any mortgage, deed of trust, conveyance and leaseback or other refinancing, conveyance, encumbrance or lien that has been created or attached thereto prior to completion of the construction of the improvements on the Site whether by voluntary act of the Developer or otherwise; provided, however, that no notice of filing of preliminary notices or mechanic's liens need be given by the Developer to the Agency prior to suit being filed to foreclose such mechanic's lien. The Developer hereby agrees to indemnify, defend and hold the Agency harmless from any liability and costs which may arise under any mechanic's lien foreclosure proceeding.

The words "mortgage" and "deed of trust" as used herein include all other appropriate modes of financing real estate acquisition, construction and land development. The Agency agrees to make such amendments to this Agreement as the approved

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lender may reasonably require.

Notwithstanding any provision to the contrary, the Developer shall be entitled to sell, assign, transfer or encumber any portion of the Site, assuming compliance with the Subdivision Map Act, without the prior consent of the Agency following the issuance by the Agency of a Certificate of Completion for that portion of the Site.

(b) 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 manner be obligated by the provisions of this Agreement to construct or complete the improvements or to guarantee such construction or completion; nor shall any covenant or any other provision in any grant deed for any portion of the Site be construed so to obligate such holder; provided however that nothing in this Agreement shall be deemed to construe, 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.

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(c) Notice of Default to Mortgage, Deed of Trust or Other Security Interest Holders; Right to Cure. Whenever the Agency shall deliver any notice or demand to the Developer with respect to any breach or default by the Developer in completion of construction of the improvements, or any breach or default of any other obligations which might entitle the Agency to terminate this Agreement or exercise its right to re-enter under Section 5.07 hereof, the Agency 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. The Agency will cooperate with any construction or permanent lender to the extent reasonably necessary to modify the provisions of this Section 3.05 to meet the requirements of such lender. Each such holder shall (insofar as the rights of the Agency are concerned) have the right, at its option within ninety (90) calendar days after the receipt of the notice, 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 if the holder chooses to remedy or cure the default, such holder shall seek to obtain possession with diligence and continuity through a receiver or otherwise, and shall remedy or cure such default within sixty (60) calendar days after obtaining possession; provided that in the case of a default which cannot with diligence be remedied or cured, or the remedy or cure of which

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cannot be commenced within such sixty (60) calendar day period, such holder shall have such additional time as reasonably necessary to remedy or cure such 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 obligations of the Developer to the Agency by written agreement satisfactory to the Agency. 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 satisfactory to the Agency that it has the qualifications and financial responsibility necessary to perform such obligations. Any such holder completing such improvements in accordance herewith shall be entitled, upon written request made to the Agency, to a Certificate of Completion from the Agency.

Notwithstanding any provision hereof to the contrary, nothing herein shall be deemed to prevent or delay the initiation by the Agency of foreclosure proceedings under any performance deed of trust given pursuant to this Agreement.

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(d) Failure of Holder to Complete Improvements. In any case where, ninety (90) calendar days after default by the Developer in the completion of construction of improvements under this Agreement, the holder of any mortgage, deed of trust or other security interest creating a lien or encumbrance upon the Site or any portion thereof has not exercised the option to construct, or if it has exercised the option but has not proceeded diligently with construction, the Agency shall have the option (but not the obligation) to purchase the mortgage, deed of trust or other security interest by payment to the holder of the amount of the unpaid debt, including principal, accrued and unpaid interest, late charges, costs, expenses and other amounts payable to the holder by the Developer under the loan documents between holder and the Developer. The exercise by the Agency of the option contained in this Section 3.05(d) shall be conclusively evidenced by the transmittal of a Certificate of Default and Exercise of Option by the Agency to the holder which specifies this Section 3.05(d) and declares the effective date of the assignment of loan to the Agency. If the ownership of the Site has vested in the holder, the Agency, if it so desires, shall be entitled to a conveyance of both the equitable and legal interest in the Site from the holder to the Agency upon payment to the holder of an amount equal to the sum of the following:

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(i) The unpaid mortgage, deed of trust or other security interest debt, including principal, accrued and unpaid interest, late charges, costs, expenses and other amounts payable to the holder by the Developer under the loan documents between the holder and the Developer, 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).

(ii) All expenses, if any, incurred by the holder with respect to foreclosure.

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

(iv) The cost of any improvements made by such holder.

(v) An amount equivalent to the interest that would have accrued on the aggregate on 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 Agency.

(vi) After expiration of the aforesaid ninety (90) calendar day period, the holder of any mortgage, deed of trust or other security affected by the option created by this paragraph,

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may demand, in writing, that the Agency either exercise its option granted hereby or release such option in writing. If the Agency fails to exercise the right herein granted within ninety (90) calendar days from the date of such written demand, the Agency shall be conclusively deemed to have waived such right of purchase of the Site or the mortgage, deed of trust or other security interest.

(e) Right of Agency to Cure Mortgage, Deed of Trust or Other Security Interest Upon 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 any portion thereof) prior to the issuance of a Certificate of Completion for the applicable portion or portions of the Site, and the holder has not exercised its option to complete the development, the Agency may cure the default prior to a sale of the Site pursuant to foreclosure. In such event, the Agency shall be entitled to reimbursement from the Developer of all costs and expenses so advanced to cure a default, as incurred by the Agency in curing the default. The Agency shall also be entitled to a lien upon the Site (or any 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 as approved in writing by the Agency and executed for the sole purpose of obtaining funds to purchase and develop the Site as authorized herein.

Nothing in this Section 3.05 shall operate as an abrogation of rights available to the Developer under state law

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relating to mortgages, deeds of trust and other security interests with respect to real property.

Section 3.06. Right of the Agency to Satisfy Other Liens on the Property after Conveyance of Title. After the conveyance of title and prior to the recordation of the Certificate of Completion (referred to in Section 3.07 of this Agreement), and after the Developer has had a reasonable time to challenge, cure or satisfy any unauthorized liens or encumbrances on the Site, the Agency shall after sixty (60) calendar days prior to written notice to the Developer have the right to satisfy or bond against 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 shall contest the validity or amount thereof, and so long as such delay in payment shall not subject the Site (or any portion thereof) to forfeiture or sale.

Section 3.07. Certificate of Completion. Promptly after completion of construction and development of the improvements, excluding any normal and customary tenant improvements and minor building "punch-list" items to be completed by the Developer upon a parcel on the Site, including any and all buildings on said parcel and any and all parking, landscaping and related improvements necessary to support or which meet the requirements applicable to the building and its use and occupancy on said parcel, whether or not said improvements are on said parcel or other parcels on the Site,

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and so long as all parking, landscaping and improvements then constructed on the Site are adequate to meet the improvements on said parcel and all other parcels for which Certificates of Completion have been issued as of that time, all as generally and specifically required by this Agreement and in particular the Site Improvement Plan Concept, the Agency shall furnish the Developer with a Certificate of Completion for that portion of the Site, substantially in the form of Attachment No. 8 attached hereto and incorporated herein by reference, upon written request therefor by the Developer. The Agency shall not unreasonably withhold any such Certificate of Completion. The Certificate of Completion shall be, and shall so state, that it is a conclusive determination of satisfactory completion of all of the obligations of this Agreement and of full compliance with the terms hereof. After the recordation of the Certificate of Completion, any party then owning or thereafter purchasing, leasing or otherwise acquiring any interest in such parcel shall not (because of such ownership, purchase, lease or acquisition) incur any obligations or liability under this Agreement, except that such party shall be bound by any covenants contained in the grant deed, the declaration of covenants, conditions, restrictions, and reciprocal easements affecting the Site as provided in Section 2.09 hereof and the declaration of reciprocal vehicle access easements as provided in Section 2.09 hereof. Neither the Agency nor any other person, after the recordation of

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the Certificate of Completion, shall have any rights, remedies or controls that it would otherwise have or be entitled to exercise under this Agreement as a result of a default in or breach of any provision of this Agreement except as may be specifically identified in such Certificate of Completion, the declaration of covenants, conditions and restrictions required by Section 2.09 hereof and the declaration of reciprocal vehicle access easements as provided in Section 2.09 hereof; and the respective rights and obligations of the parties shall be limited to those set forth in the grant deed.

The Certificate of Completion for each parcel shall be in such form as to permit it to be recorded in the Recorder's Office of the Los Angeles County. If the Agency refuses or fails to furnish a Certificate of Completion for any portion of the Site after written request from the Developer, the Agency shall, within fifteen (15) calendar days of the written request or at the next regular meeting of the Agency, whichever is later, provide to the Developer a written statement setting forth the reasons with respect to the Agency refusal or failure to furnish a Certificate of Completion. The statement shall also contain the Agency's opinion of the action the Developer must take to obtain a Certificate of Completion. If the reason for such refusal is confined to the immediate unavailability of specific items or materials for construction or landscaping at a price reasonably acceptable to the Developer or other minor building

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"punch list" items, the Agency shall issue its Certificate of Completion upon the posting of a bond or irrevocable letter of credit, reasonably approved as to form by the Agency Counsel and obtained by the Developer in an amount representing a fair value of the work not yet completed as reasonably determined by the Agency, or such other security reasonably satisfactory to the Agency.

Such Certificate of Completion 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, or any part thereof including any such obligation payable to the Agency. Such Certificate of Completion shall not be deemed to constitute a notice of completion as referred to in Section 3093 of the California Civil Code.

Section 3.08. Offset Statement. Upon the request of the Developer, or of any lender, purchaser, tenant or other party having an interest in the Site, the Agency shall issue a signed offset statement stating that this Agreement is in full force and effect and that no default hereunder exists on the part of the Developer or any successor, or if such default is claimed to exist, the nature of such default. Such offset statement shall be delivered by the Agency within fifteen (15) calendar days following receipt of written request therefor.

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ARTICLE IV

USE OF THE SITE

Section 4.01. 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 during construction of the development of the Site hereunder and thereafter, and prior to the expiration of the Redevelopment Plan, the Developer, such successors and such assigns shall devote the Site (or any part thereof) to the uses specified therefor in the Redevelopment Plan, this Agreement and the grant deeds conveying the Site to the Developer.

Section 4.02. Maintenance of the Site. The Developer shall maintain the improvements on the Site and shall keep the Site free from any accumulation of debris or waste material, subject to normal construction job site conditions. Following the recordation of the Certificate of Completion, the Developer shall maintain the Project in accordance with the declaration of covenants, conditions, restrictions and reciprocal easements required by Section 2.09 hereof. The Developer shall also maintain the landscaping required to be planted in accordance with the landscaping plans prepared pursuant to Section 3.01 (c) hereof in a healthy condition.

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Section 4.03. 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, religion, creed, 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 of occupancy of tenants, lessees, subtenants, sublessees or vendees of the Site.

Section 4.04. Form of Nondiscrimination and Nonsegregation Clauses. The Developer shall refrain from restricting the sale, lease, sublease, rental, transfer, use, occupancy, tenure or enjoyment of the Site (or any part thereof) on the basis of sex, marital status, race, color, religion, creed, ancestry or national origin of any person. All such deeds, leases or contracts pertaining thereto shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

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(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, marital status, race, color, religion, creed, 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, marital status, race, color, religion, creed, 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

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practice or practices of discrimination or segregation with reference to the selection, location, number or occupancy of tenants, lessees, sublessees, tenants 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, marital status, race, color, religion, creed, national origin or ancestry in the sale, lease, sublease, rental, 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".

Section 4.05. Effect and Duration of Covenants. The covenants established in this Agreement, shall, without regard to technical classification and designation, be binding on the Developer and any successor in interest to the Site or any part thereof for the benefit and in favor of the Agency, its successors and assigns, and shall cease and terminate as to each parcel for which a Certificate of Completion has been issued, except otherwise as provided in the grant deed. Except as set

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The injured party shall give written notice of default to the party in default, specifying the default complained of by the injured party. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.

Any failure or delay 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.

Section 5.02. Legal Actions.

(a) 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.

(b) Applicable Law. The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

(c) Acceptance of Service of Process. In the event that any legal action is commenced by the Developer against the Agency, service of process on the Agency shall be made by personal service upon the Executive Director or Chairman of the Agency, or in such other manner as may be provided by law.

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Section 5.05. Specific Performance. If either party defaults under any of the provisions of this Agreement, the nondefaulting party shall serve written notice of such default upon such defaulting party. If the default is not commenced to be cured within thirty (30) calendar days after service of the notice of default and is not cured promptly within a reasonable time after the commencement, the nondefaulting party, at its option, may institute an action for specific performance of the terms of this Agreement, except as otherwise provided in Section 5.04 hereof.

Section 5.06. Remedies and Rights of Termination.

(a) Termination by the Developer.

The Developer may terminate this Agreement if the Agency does not tender conveyance of title to the Agency Parcel in the manner and condition, and by the dates provided in this Agreement, and if any such failure is not diligently commenced to be cured within thirty (30) calendar days after written demand by the Developer. In the event title to Agency Parcels 2 and 3 is not conveyed to the Developer as a result of nonpayment by the City of El Monte of any Base Rental Payment under the Amended Lease Agreement with respect to $7,830,000 1987 Refunding Certificates of Participation (El Monte Public Facilities Capital Improvement Project), which payments are due on April 1, 1988, and October 1, 1988, in the amounts of $178,372.50 and $833,372.50, respectively, the Agency shall, upon termination of this Agreement by the Developer, promptly pay to the Developer or cause to be paid to the Developer, in addition to the amount

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described in Section 2.12 hereof, (a) the sum of $90,000 and (b) a sum of money which reimburses to the Developer and includes (i) the acquisition costs and purchase price of Agency Parcel 4; (ii) construction costs expended by the Developer on the Project; (iii) all other costs expended by the Developer on the Project, including without limitation attorneys' fees, consulting fees, architectural fees, soil preparation fees, engineering fees, financing fees and costs, sign fees and broker's commissions; and (iv) an amount equal to ten percent (10%) of the total amount of (i), (ii) and (iii). THE PARTIES HEREBY EXPRESSLY ACKNOWLEDGE AND AGREE THAT THE DEVELOPER SHALL INCUR SUBSTANTIAL DAMAGES AS A RESULT OF TERMINATION OF THIS AGREEMENT DUE TO NONPAYMENT BY THE CITY OF EL MONTE OF THE BASE RENTAL PAYMENTS DESCRIBED ABOVE, AND IT IS FURTHER ACKNOWLEDGED THAT THE PRECISE AMOUNT OF SUCH DAMAGES WOULD IN SUCH AN EVENT BE EXTREMELY DIFFICULT TO CALCULATE OR ASSESS AND THEREFOR, IT IS EXPRESSLY AGREED THAT THE AGENCY SHALL PAY TO THE DEVELOPER THE SUMS SET OUT IN (a) AND (b) OF THE PRECEDING SENTENCE WHICH THE AGENCY AND THE DEVELOPER AGREE ARE REASONABLE IN LIGHT OF ALL THE FACTS KNOWN TO THEM ON THE DATE OF THIS AGREEMENT.

INITIALS OF DEVELOPER: _____ JK

INITIALS OF AGENCY: _____ JK

In the event title to Agency Parcels 1, 2 and 3 is not conveyed to the Developer by virtue of a breach by the Agency of any of its obligations hereunder not caused by forces or events out of the control of the Agency, the Agency shall pay or cause to be

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paid promptly to the Developer, upon termination of this Agreement by the Developer, in addition to the amount described in Section 2.12 hereof, (a) the sum of $90,000 and (b) a sum of money which reimburses to the Developer (i) the acquisition costs and purchase price of Agency Parcel 4; (ii) construction costs expended or incurred by the Developer on the Project and (iii) all other costs, including without limitation attorneys' fees, consulting fees, architectural fees, soil preparation fees, engineering fees, financing fees and costs, sign fees, and broker's commissions expended or incurred by the Developer on the Project. THE PARTIES HEREBY EXPRESSLY ACKNOWLEDGE AND AGREE THAT THE DEVELOPER SHALL INCUR SUBSTANTIAL DAMAGES AS A RESULT OF TERMINATION OF THIS AGREEMENT DUE TO FAILURE OF THE AGENCY TO CONVEY AGENCY PARCELS 1, 2 AND 3 SUBSEQUENT TO THE DEVELOPER'S ACQUISITION OF AGENCY PARCEL 4, AND IT IS FURTHER ACKNOWLEDGED THAT THE PRECISE AMOUNT OF SUCH DAMAGES WOULD IN SUCH AN EVENT BE EXTREMELY DIFFICULT TO CALCULATE OR ASSESS AND THEREFOR, IT IS EXPRESSLY AGREED THAT THE AGENCY SHALL PAY TO THE DEVELOPER THE SUMS SET OUT IN (a) AND (b) OF THE PRECEDING SENTENCE WHICH THE AGENCY AND THE DEVELOPER AGREE ARE REASONABLE IN LIGHT OF ALL THE FACTS KNOWN TO THEM ON THE DATE OF THIS AGREEMENT.

INITIALS OF DEVELOPER: _____ 9/K

INITIALS OF AGENCY: _____ 9/K

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(b) Termination by the Agency.

(i) Upon written notice of default which shall specify the Developer's default and the action required to cure same and upon thirty (30) calendar days notice to the Developer of the Agency's intent to terminate this Agreement pursuant to this Section, the Agency at its option may terminate this Agreement if upon satisfaction of all conditions precedent and concurrent to the Developer's obligation to pay the purchase price for the Agency Parcel under Section 2.05 of this Agreement, the Developer does not in fact pay such sums within thirty (30) calendar days from the receipt of such notice.

(ii) Subject to written notice of default which shall specify the Developer's default and the action required to cure same and upon thirty (30) calendar days notice to the Developer of the Agency's intent to terminate this Agreement pursuant to this Section, the Agency at its option may terminate this Agreement if the Developer in breach of this Agreement assigns or attempts to assign this Agreement, or any right therein; or makes any total or partial sale, lease or leaseback, transfer or conveyance of the whole or any part of the Site or the improvements to be developed thereon in violation of the terms of this Agreement, the Developer does not correct such violation within thirty (30) calendar days from the date of receipt of such notice.

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(iii) Subject to written notice of default, which shall specify the Developer's default and the action required to cure same and upon thirty (30) calendar days notice to the Developer of the Agency's intent to terminate this Agreement pursuant to this Section, the Agency at its option may terminate this Agreement if the Developer does not within the time limits provided in the Schedule of Performance, subject to delays due to force majeur, actions of the Agency or as otherwise provided in this Agreement, submit preliminary working drawings acceptable to the Planning Department and Building Division for plan check purposes, including fees, and final construction drawings prepared to the minimum standards acceptable as required by the Planning Department and Building Division for commencement of formal review of such drawing specifications and documents, as required by this Agreement, or does not carry out its other responsibilities in accordance with any modification, precise plan, design review and other environmental or governmental approvals, including without limitation the commencement of construction of the Project and the diligent prosecution of the construction and improvement of the Project, and such default is not cured or commenced to be cured within thirty (30) calendar days after the date of receipt of written demand therefor from the Agency and thereafter pursued to completion with due diligence. For the purposes hereof, a cessation of work of improvement upon the Project for a period of thirty (30) days or more, unless such cessation is excused in writing by the Agency, shall be deemed to be a default hereunder.

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(iv) The Agency at its option may terminate this Agreement if upon satisfaction of all conditions precedent and concurrent under this Agreement, the Developer does not take title to the Agency Parcel upon tender of conveyance by the Agency, and such breach is not cured within thirty (30) calendar days after the date of receipt of written demand.

(v) Subject to written notice of default which shall specify the Developer's default and the action required to cure same and upon thirty (30) calendar days notice to the Developer the Agency's intent to terminate this Agreement pursuant to this Section, the Agency at its option may terminate this Agreement if the Developer shall fail to complete Phases I and II of the Project by September 15, 1989.

(c) Termination Process by the Agency. No notice of default shall be sent by the Agency unless said action is approved by the Agency pursuant to a report from the Executive Director.

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Section 6.03. Warranty Against Payment of Consideration for Agreement. 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. Third parties, for the purposes of this Section, shall not include persons to whom fees were paid for professional services if rendered by attorneys, financial consultants, accountants, engineers, architects and the like when such fees are considered necessary by the Developer.

Section 6.04. Nonliability of Agency Officials and Employees. No member, official or employee of the Agency shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach by the Agency or for any amount which may become due to the Developer or to its successor, or on any obligations under the terms of this Agreement except for gross negligence or willful acts.

Section 6.05. 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; lockouts; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes or lack of

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transportation; weather-caused delays; inability to secure necessary labor, materials or tools; delays of any contractors, subcontractor or supplier; acts of other party; acts or failure to act of any public or governmental agency or entity (except that acts or failure to act of the City or Agency shall not extend the time for the Agency to act except for lawsuit or injunction including but without limitation lawsuits pertaining to the adoption of the Agreement, the Redevelopment Plan and procedures, eminent domain, and the like) 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. Times of performance under this Agreement may also be extended in writing by the Agency and the Developer.

Section 6.06. Inspection of Books and Records. The Agency has the right at all reasonable times at the Agency's cost and expense to inspect the books and records of the Developer pertaining to the Site as necessary for the Agency to enforce its rights under this Agreement. Matters discovered by the Agency shall not be disclosed to third parties unless required by law or

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unless otherwise resulting form or related to the pursuit of any remedies or the assertion of any rights of the Agency hereunder. The Developer also has the right at all reasonable times to inspect the books and records of the Agency pertaining to the Site as pertinent to the purposes of this Agreement.

Section 6.07. Approvals.

(a) Approvals required of the Agency or the Developer, or any officers, agents or employees of either the Agency or the Developer, shall not be unreasonably withheld and approval or disapproval shall be given within the time set forth in the Schedule of Performance, or, if not time is given, within a reasonable time.

(b) The Executive Director of the Agency is authorized to sign on his own authority amendments to this Agreement which are of routine or technical nature, including minor adjustments to the Schedule of Performance.

Section 6.08. Real Estate Commissions. The Agency shall not be liable for any real estate commissions, brokerage fees or finder fees which may arise from this Agreement.

Section 6.09. Indemnification. The Developer agrees to indemnify and hold the City and the Agency harmless from and against all damages, judgments, costs, expenses, and fees arising

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from any act or omission of the Developer in performing its obligations hereunder. The Agency agrees to indemnify and hold the Developer harmless from and against all damages, judgments, costs, expenses and fees arising from any act or omission of the Agency in performing its obligations hereunder.

Section 6.10. Release of Developer from Liability. Notwithstanding any provision herein to the contrary, the Developer shall be relieved of any and all liability for the obligations of the Developer hereunder with regard to any parcel on the Site for which a Certificate of Completion has been issued by the Agency hereunder arising after the issuance of such Certificate of Completion by the Agency, other than that provided by the grant deed by which the Site is conveyed to the Developer hereunder, by the declaration of covenants, conditions, restrictions and reciprocal easements affecting the Site as provided in Section 2.09 hereof and the declaration of reciprocal vehicle access easements as provided in Section 2.09 hereof.

Section 6.11. Attorneys' Fees. If either party hereto files any action or brings any action or proceeding against the other arising out of this Agreement or is made a party to any action or proceeding brought by the Escrow Agent, then as between the Developer and the Agency, the prevailing party shall be entitled to recover as an element of its costs of suit and not as

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damages, its reasonable attorney's fees as fixed by the Court in such action or proceeding or in a separate action or proceeding brought to recover such attorney's fees.

ARTICLE VII

ENTIRE AGREEMENT, WAIVERS AND AMENDMENT

Section 7.01. Attachments. This Agreement shall be executed in three (3) duplicate originals each of which is deemed to be an original. This Agreement includes 75 pages and eight (8) attachments which constitute the entire understanding and agreement of the parties.

The attachments are as follows:

Attachment No. 1	Legal Description of the Agency Parcel
Attachment No. 2	Legal Description of Individual Parcels Constituting the Agency Parcel
Attachment No. 3	Assessor's Parcel Map with respect to Assembly Parcel
Attachment No. 4	Schedule of Performance
Attachment No. 5	Form of Grant Deed
Attachment No. 6	List of Exceptions to Title
Attachment No. 7	Site Improvement Plan Concept
Attachment No. 8	Form of the Certificate of Completion

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Section 7.02. Integration and Liquidated Damages. 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. That certain Property Lease and Purchase Agreement dated _____, 1986, by and between the parties is hereby discharged and released and the Developer hereby waives, releases and disclaims all interest in any sums as provided in such property lease and purchase agreement which would have otherwise been payable in the event that this Agreement had not been approved by the Agency; provided however, that in the event that this Agreement may hereafter be terminated by the Developer for any of the reasons specified in Section 2.09 hereof, then in such event the Agency shall cause to be paid to the Developer, in addition to the amount described in Section 2.12 hereof, the sum of Ninety Thousand Dollars ($90,000.00) AND THE PARTIES HEREBY EXPRESSLY ACKNOWLEDGE AND AGREE THAT THE DEVELOPER SHALL INCUR SUBSTANTIAL DAMAGES AS A RESULT OF SUCH TERMINATION, AND IT IS FURTHER ACKNOWLEDGED THAT THE PRECISE AMOUNT OF SUCH DAMAGES WOULD IN SUCH AN EVENT BE EXTREMELY DIFFICULT TO CALCULATE OR ASSESS AND THEREFOR, IT IS EXPRESSLY AGREED THAT THE AGENCY SHALL PAY TO THE DEVELOPER SAID SUM WHICH THE AGENCY AND THE DEVELOPER AGREE ARE REASONABLE IN LIGHT OF ALL THE FACTS KNOWN TO THEM ON THE DATE OF THIS AGREEMENT.

INITIALS OF DEVELOPER: _____

INITIALS OF AGENCY: _____

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Section 7.03. None of the terms, covenants, agreements or conditions set forth in this Agreement shall be deemed to be merged with one or more of the grant deeds conveying title to the Site or any portion thereof to the Developer, and this Agreement shall continue in full force and effect before and after such conveyance as provided in Section 2.05 until issuance of a Certificate(s) of Completion for the Site, and the provisions of Section 3.04 hereof shall continue for a term of ten (10) years after the date of recordation of such Certificate of Completion.

All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the Agency and the Developer, and all amendments hereto must be in writing and signed by the appropriate authorities of the Agency and the Developer.

Section 7.04. Operating Memoranda. It is recognized and acknowledged that the implementation of the development of the Project, will require a close degree of cooperation between the Agency and the Developer. It is further recognized that amendments, changes, or modifications may be required at such time as the Agency or the Developer acquires certain other real property in the Project Area which may be necessary for the overall development of the Project, including the redevelopment of the Assembly Parcel, if appropriate. Therefore, written operating memorandum shall be considered, as necessary, between the parties and approved by the Executive Director and the Developer and such approval shall not be unreasonably withheld;

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provided however, that such operating memoranda shall not substantially alter the obligations or the timeliness of the performance of the obligations hereunder without approval of the Agency pursuant to official action of the governing body thereof. Such memoranda shall upon approval become an addendum hereto and become a part hereof.

Section 7.05. Amendments to Agreement. The Developer and the Agency agree mutually to consider reasonable requests for amendments to this Agreement which may be made by either of the parties hereto, provided said requests are consistent with this Agreement and would not substantially alter the basic business terms included herein.

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This Disposition and Development Agreement is executed as of the dates which appear below by the parties hereto.

BARONIAN DEVELOPMENT CO., INC.

Date: 2/17/88

By: _____

By: _____

EL MONTE COMMUNITY REDEVELOPMENT AGENCY

By: Donald A. McMillan
Agency Chairman

APPROVED AS TO FORM:

Deputy Diane R. Halman
Agency General Counsel

Date: 2/19/88

(SEAL)

ATTEST:

By: Kathleen Kaplan
Agency Secretary

(All Signatures Must Be Acknowledged)

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State of California } ss.
County of Los Angeles }

On this the 19th day of February 19 88 before me,

Avon W. Schwenden,

the undersigned Notary Public, personally appeared

Diane R. Holman,

X personally known to me 88 947516
proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) _____ subscribed to the within instrument, and acknowledged that _____ executed it.

WITNESS my hand and official seal.

Avon W. Schwenden
Notary's Signature

OFFICIAL SEAL
AVON W SCHWENDEN
NOTARY PUBLIC - CALIFORNIA
LOS ANGELES COUNTY
My comm. expires JUN 6, 1989

GENERAL ACKNOWLEDGMENT FORM 7110 052 NATIONAL NOTARY ASSOCIATION • 23012 Ventura Blvd • Woodland Hills, CA 91364

State of California } ss.
County of Los Angeles }

On this the 22 day of February 19 88 before me,

88 947516

Avon W. Schwenden,

the undersigned Notary Public, personally appeared

Donald A. McMillen,

X personally known to me
proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) _____ subscribed to the within instrument, and acknowledged that _____ executed it.

WITNESS my hand and official seal.

Avon W. Schwenden
Notary's Signature

OFFICIAL SEAL
AVON W SCHWENDEN
NOTARY PUBLIC - CALIFORNIA
LOS ANGELES COUNTY
My comm. expires JUN 6, 1989

GENERAL ACKNOWLEDGMENT FORM 7110 052 NATIONAL NOTARY ASSOCIATION • 23012 Ventura Blvd • Woodland Hills, CA 91364

State of California)
County of Los Angeles) SS

On this 22nd day of February, in the year 1988, before me

Cynthia A. Hawkinson, Notary Public, personally appeared

Kathleen Kaplan, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) who executed this instrument as Secretary of the El Monte Community Redevelopment Agency and acknowledged to me that the Agency executed it.

WITNESS MY HAND and official seal.

(SEAL)

OFFICIAL SEAL
CYNTHIA A HAWKINSON
NOTARY PUBLIC - CALIFORNIA
LOS ANGELES COUNTY
My comm. expires MAY 26, 1991

Cynthia A. Hawkinson

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(Corporation)

STEWART TITLE

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES } SS.

On FEBRUARY 17, 1988 before me, the undersigned, a Notary Public in and for said State, personally appeared JACK BARONIAN personally known to me (or proved to me on the basis of satisfactory evidence) to be the _____ President, and JACQUELINE BARONIAN personally known to me to be VICE PRESIDENT Secretary of the corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

Signature Anthony J. Venti, Jr.

Anthony J. VENTI, JR.
Name (Typed or Printed)

D 210 rev. 1-83

OFFICIAL SEAL
ANTHONY J. VENTI JR.
Notary Public-California
LOS ANGELES COUNTY
My Comm. Exp. Sep. 30, 1988

88 947516

(This area for official notarial seal)

ATTACHMENT NO. 1

Legal Description of the Agency Parcel

All:030.4-3#ah

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ENTIRE AGENCY
PARCEL

79

December 1, 1987

LEGAL DESCRIPTION

CITY-OWNED PARCELS AT SOUTHWEST CORNER PECK ROAD AND SOUTHERN PACIFIC RAILROAD (ASSESSOR'S MAP BOOK 8567, PAGE 19, PARCELS 4, 900, 901, AND 902--BUILDABLE AREA AND EASEMENT LESS ADDITIONAL DEDICATION FOR PECK ROAD.)

Those portions of Lots 1 through 5 of Tract No. 10854, as per Map Recorded in Book 188, Pages 20 and 21, Records of Los Angeles County, including therewith that 3 foot easement lying within lot 3 of said Tract dedicated to the City of El Monte for water line purposes by said tract, described as follows:

BEGINNING at the most Northerly point of Lot 1 of said Tract, said point lying on the Southwesterly line of the Southern Pacific Railroad Right-Of-Way (100 Feet Wide); THENCE along said Southwesterly line South 50° 28' 10" East 228.00 Feet; THENCE South 35° 59' 53" West 263.37 Feet; THENCE South 47° 40' East 5.00 Feet, more or less, to a point on the Northwesterly line of Peck Road (100 Feet Wide); THENCE Southwesterly along said Northwesterly line to the intersection of a line lying 7.00 Feet Southwesterly, measured at right angles, from the Southwesterly line of Lot 4 of said Tract; THENCE along said parallel line North 47° 40' West 265.85 Feet, more of less, to a point in the Northwesterly line of Lot 5 of said Tract; THENCE North 42° 20' East 374.55 Feet, more or less to the Point of Beginning.

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ATTACHMENT NO. 2

Legal Description of Individual Parcels
Constituting the Agency Parcel

All:030.4-4/Ah#1

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Agency Parcel 1

81

LEGAL DESCRIPTION OF SITE

- Star Tire Properties -

CITY-OWNED PARCELS AT SOUTHWEST CORNER OF PECK ROAD AND SOUTHERN PACIFIC RAILROAD (ASSESSOR'S MAP BOOK 8567, PAGE 19, PORTION OF PARCEL 901 ONLY -- BUILDABLE AREA AND EASEMENT LESS ADDITIONAL DEDICATION FOR PECK ROAD.)

ALL OF LOTS 1 AND 2, TRACT NO. 10854 AS PER MAP RECORDED IN BOOK 188, PAGES 20 AND 21, RECORDS OF LOS ANGELES COUNTY, EXCEPT THAT PORTION OF SAID LOT 1 LYING NORTHEASTERLY OF A LINE PARALLEL WITH AND DISTANT 33.00 FEET NORTHEASTERLY, MEASURED AT RIGHT ANGLES, FROM THE SOUTHWESTERLY LINE OF SAID LOT 1; ALSO EXCEPTING THAT PORTION OF SAID LOT 2 LYING SOUTHWESTERLY OF A LINE PARALLEL WITH AND DISTANT 37.00 FEET SOUTHWESTERLY, MEASURED AT RIGHT ANGLES, FROM THE NORTHEASTERLY LINE OF SAID LOT 2; AND ALSO EXCEPTING THOSE PORTIONS OF SAID LOTS 1 AND 2 LYING SOUTHEASTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT IN THE NORTHEASTERLY LINE OF LOT 1 OF SAID TRACT, SAID POINT LYING SOUTH 50° 28'10" EAST 228.00 FEET FROM THE MOST NORTHERLY POINT THEREOF; THENCE SOUTH 35° 59'53" WEST 263.37 FEET; THENCE SOUTH 47° 40' EAST 5.00 FEET, MORE OR LESS, TO A POINT IN THE NORTHWESTERLY LINE OF PECK ROAD (100 FEET WIDE).

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A38:|030.4-32|tmm#3

Description: Los Angeles,CA Document-Year.DocID 1988.947516 Page: 81 of 99
Order: 47 Comment:

Agency Parcel 2

82

LEGAL DESCRIPTION OF SITE
- Star Tire Properties -

CITY-OWNED PARCELS AT SOUTHWEST CORNER PECK ROAD AND SOUTHERN PACIFIC RAILROAD (ASSESSOR'S MAP BOOK 8567, PAGE 19, PORTION OF PARCEL 4 ONLY -- BUILDABLE AREA AND EASEMENT LESS ADDITIONAL DEDICATION FOR PECK ROAD.)

ALL OF LOT 2, TRACT NO. 10854, AS PER MAP RECORDED IN BOOK 188, PAGES 20 AND 21, RECORDS OF LOS ANGELES COUNTY, EXCEPT THAT PORTION OF SAID LOT 2 LYING NORTHEASTERLY OF A LINE PARALLEL WITH AND DISTANT 37.00 FEET SOUTHWESTERLY, MEASURED AT RIGHT ANGLES, FROM THE NORTHEASTERLY LINE OF SAID LOT 2; AND ALSO EXCEPTING THAT PORTION OF SAID LOT 2 LYING SOUTHEASTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT IN THE NORTHEASTERLY LINE OF LOT 1 OF SAID TRACT, SAID POINT LYING SOUTH 50° 28'10" EAST 228.00 FEET FROM THE MOST NORTHERLY POINT THEREOF; THENCE SOUTH 35° 59'53" WEST 263.37 FEET; THENCE SOUTH 47° 40' EAST 5.00 FEET, MORE OR LESS, TO A POINT IN THE NORTHWESTERLY LINE OF PECK ROAD (100 FEET WIDE).

88 947516

A38:|030.4-32|tmm#3

Description: Los Angeles,CA Document-Year.DocID 1988.947516 Page: 82 of 99
Order: 47 Comment:

Agency Parcel 3

83

LEGAL DESCRIPTION OF SITE

- Star Tire Properties -

CITY-OWNED PARCELS AT SOUTHWEST CORNER PECK ROAD AND SOUTHERN PACIFIC RAILROAD (ASSESSOR'S MAP BOOK 8567, PAGE 19, PORTION OF PARCEL 900 ONLY -- BUILDABLE AREA AND EASEMENT LESS ADDITIONAL DEDICATION FOR PECK ROAD

ALL OF LOTS 3, 4 AND 5, TRACT NO. 10854, AS PER MAP RECORDED IN BOOK 188, PAGES 20 AND 21, RECORDS OF LOS ANGELES COUNTY, INCLUDING THEREWITH THAT 3' FOOT EASEMENT LINE WITHIN SAID LOT 3, DEDICATED TO THE CITY OF EL MONTE FOR WATER LINE PURPOSES BY SAID TRACT, AND EXCEPTING THAT PORTION OF SAID LOT 5 LYING SOUTHWESTERLY OF A LINE PARALLEL WITH AND DISTANT 7.00 FEET SOUTHWESTERLY, MEASURED AT RIGHT ANGLES, FROM THE SOUTHWESTERLY LINE OF SAID LOT 4; AND ALSO EXCEPTING THOSE PORTIONS OF SAID LOTS 3, 4 AND 5 LYING SOUTHEASTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT IN THE NORTHEASTERLY LINE OF LOT 1 OF SAID TRACT, SAID POINT LYING SOUTH 50° 28'10" EAST 228.00 FEET FROM THE MOST NORTHERLY POINT THEREOF; THENCE SOUTH 35° 59'53" WEST 263.37 FEET; THENCE SOUTH 47° 40' EAST 5.00 FEET, MORE OR LESS, TO A POINT IN THE NORTHWESTERLY LINE OF PECK ROAD (100 FEET WIDE).

88 947516

A38:|030.4-32|tmm#3

Description: Los Angeles,CA Document-Year.DocID 1988.947516 Page: 83 of 99
Order: 47 Comment:

Agency Parcel 4

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LEGAL DESCRIPTION OF SITE
- Star Tire Properties -

CITY-OWNED PARCELS AT SOUTHWEST CORNER PECK ROAD AND SOUTHERN PACIFIC RAILROAD (ASSESSOR'S MAP BOOK 8567, PAGE 19, PORTION OF PARCEL 902 ONLY -- BUILDABLE AREA AND EASEMENT LESS ADDITIONAL DEDICATION FOR PECK ROAD.)

ALL OF LOT 1, TRACT NO. 10854, AS PER MAP RECORDED IN BOOK 188, PAGES 20 AND 21, RECORDS OF LOS ANGELES COUNTY, EXCEPT THAT PORTION OF SAID LOT 1 LYING SOUTHWESTERLY OF A LINE PARALLEL WITH AND DISTANT 33.00 FEET NORTHEASTERLY, MEASURED AT RIGHT ANGLES, FROM THE SOUTHWESTERLY LINE OF SAID LOT 1; AND ALSO EXCEPTING THAT PORTION OF SAID LOT 1 LYING SOUTHEASTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT IN THE NORTHEASTERLY LINE OF LOT 1 OF SAID TRACT, SAID POINT LYING SOUTH 50° 28'10" EAST 228.00 FEET FROM THE MOST NORTHERLY POINT THEREOF; THENCE SOUTH 35° 59'53" WEST 263.37 FEET; THENCE SOUTH 47° 40' EAST 5.00 FEET, MORE OR LESS, TO A POINT IN THE NORTHWESTERLY LINE OF PECK ROAD (100 FEET WIDE).

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A38:|030.4-32|tmm#3

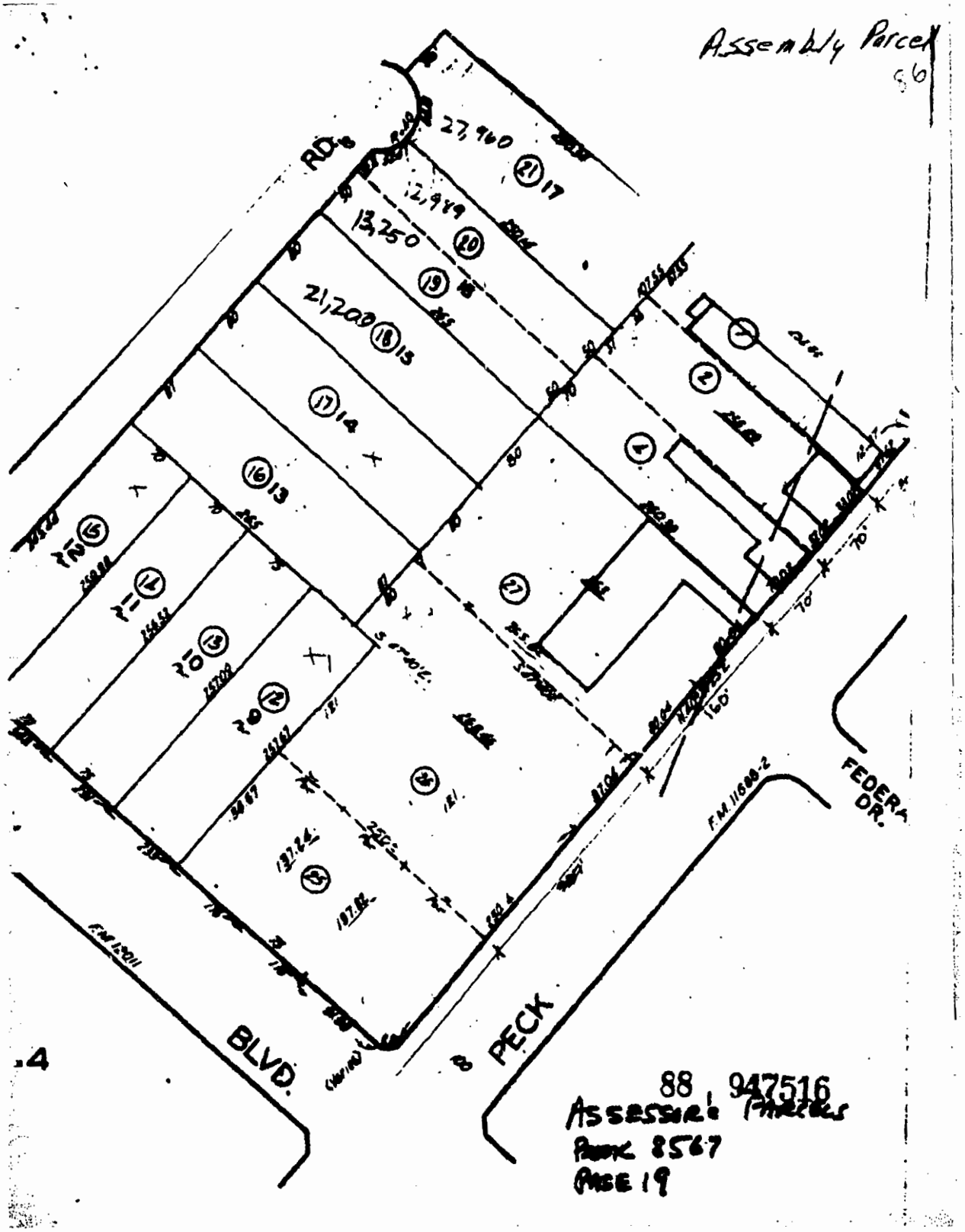
Description: Los Angeles,CA Document-Year.DocID 1988.947516 Page: 84 of 99
Order: 47 Comment:

ATTACHMENT NO. 3

Assessor's Parcel Map With Respect To Assembly Parcel

All:030.4-5/Ah#1

Description: Los Angeles,CA Document-Year.DocID 1988.947516 Page: 85 of 99
Order: 47 Comment:


Assembly Parcel
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DR.
F.M. 11600-2
BLVD.
PECK
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ASSESSOR'S PARCELS
BOOK 8567
PAGE 19

ATTACHMENT NO. 4

Schedule of Performance

All:|030.4-6|ah#1

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Order: 47 Comment:

SCHEDULE OF PERFORMANCE

February 9, 1988	Agency and City hold joint public hearing on DDA.
February 9, 1988	DDA is executed.
February 10, 1988	Agency opens concurrent escrows with City and Developer with respect to Agency Parcel 4.
February 19, 1988	Developer makes applications for design review and parking waiver for Phase I and Phase II with Planning Department (and, at Developer's option, lot line adjustment with respect to Phase I).
March 1988	Planning Commission acts on parking waiver and design review application; Developer presents same to Agency for review and approval.
March 6, 1988	Agency initiates full acquisition and relocation appraisal with respect to Phase III.
April 11, 1988	Escrow closes with respect to Agency Parcel 4; City conveys Agency Parcel 4 to Agency; Agency conveys Agency Parcel 4 to Developer.
May 23, 1988	Developer submits working drawings for Phase I to the City.
July 7, 1988	Permits issued.
	Agency and Developer receive acquisition and relocation cost estimates for Phase III; Agency and Developer begin negotiations on purchase price for Phase III.
July 15, 1988	Developer submits working drawings for Phase II to the City.
August 8, 1988	Developer commences construction on Phase I.

continued. . . .

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Order: 47 Comment:

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August 15, 1988	Agency activates concurrent escrows with City and Developer for Agency Parcels 1, 2 and 3.
October 12, 1988	Escrow closes; City conveys Parcels 1, 2 and 3 to Agency; Agency conveys Parcels 1, 2 and 3 to Developer; Developer commences Phase II construction.
December 1, 1988	Agency and Developer agree on purchase price for Phase III; Agency and Developer agree on a Schedule of Performance for Phase III.
March 8, 1989	Developer completes Phase I.
March 22, 1989	Grand Opening - Star Tire.
September 15, 1989	Developer completes Phase II.

LT/sj
2/12/88

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ATTACHMENT NO. 5

Form of Grant Deed

All:|030.4-7|ah#1

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Description: Los Angeles,CA Document-Year.DocID 1988.947516 Page: 90 of 99
Order: 47 Comment:

RECORDING REQUESTED BY:

El Monte Community Redevelopment Agency
11333 Valley Boulevard
El Monte, California 91731

AND WHEN RECORDED MAIL
GRANT DEED AND TAX STATEMENTS TO:

Attention: Baronian Development Co., Inc.
818 Ridge Crest Street
Monterey Park, California 91745
Attn: Mr. Jack Baronian

(Space Above For Recorder's Use)

GRANT DEED

FOR VALUABLE CONSIDERATION, the El Monte Community Redevelopment Agency, a public body, corporate and politic (the "Grantor") hereby grants to Baronian Development Co., Inc., a California corporation (the "Grantee") all right, title and interest to that certain real property (the "Property") located in the redevelopment project area of the Downtown El Monte Redevelopment Project, City of El Monte, County of Los Angeles, California, as more particularly described in the legal description attached hereto as Exhibit "A" and incorporated herein by this reference, subject to encumbrances and easements of record located thereon.

By acceptance of this Grant Deed the Grantee covenants and agrees with the Grantor to provide for the completion of the redevelopment of the Property in accordance with the terms of that certain Disposition and Development Agreement, dated as of November 1, 1987, as amended (the "Disposition and Development Agreement"), by and between the Grantor and the Grantee, a true copy of which is on file with the Agency Secretary.

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

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Description: Los Angeles,CA Document-Year.DocID 1988.947516 Page: 92 of 99
Order: 47 Comment:

No violation or breach of the covenants, conditions, or limitations contained in this Grant Deed shall defeat or render invalid or in any way impair the lien or charge of any mortgage, deed of trust or other financing or security instrument affecting the Property; provided, however, that any successor of the Grantee to the Property shall be bound to complete the performance of the provisions contained in said Disposition and Development Agreement affecting the Property, whether such successor's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale or otherwise.

The covenants contained in this Grant Deed regarding the redevelopment of the Property as provided in the Disposition and Development Agreement shall be binding for the benefit of the Grantor and its successors and assigns, and such covenants shall run in favor of the Grantor until such time as a Certificate of Completion is approved by the Grantor and filed for record affecting the Property as more fully provided in Section 3.07 of the Disposition and Development Agreement; provided, however, the covenants against discrimination shall remain in perpetuity. The covenants contained in this Grant Deed shall be for the benefit of and shall be enforceable only by the Grantor and its successors.

This Grant Deed is dated as of _____, 1988.

APPROVED AS TO LEGAL FORM AND ADEQUACY:

By: _____
Agency General Counsel

GRANTOR

EL MONTE COMMUNITY REDEVELOPMENT AGENCY

By: _____
Chairman of the El Monte Community Redevelopment Agency

By: _____
Secretary of the El Monte Community Redevelopment Agency

[Seal]

A23:030.4-21/Ah#1

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Order: 47 Comment:

ATTACHMENT NO. 6

List of Exceptions to Title
(Preliminary Title Report)

All:|030.4-8|ah#1

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Order: 47 Comment:

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ATTACHMENT NO. 7

Site Improvement Plan Concept

All:030.4-9/Ah#1

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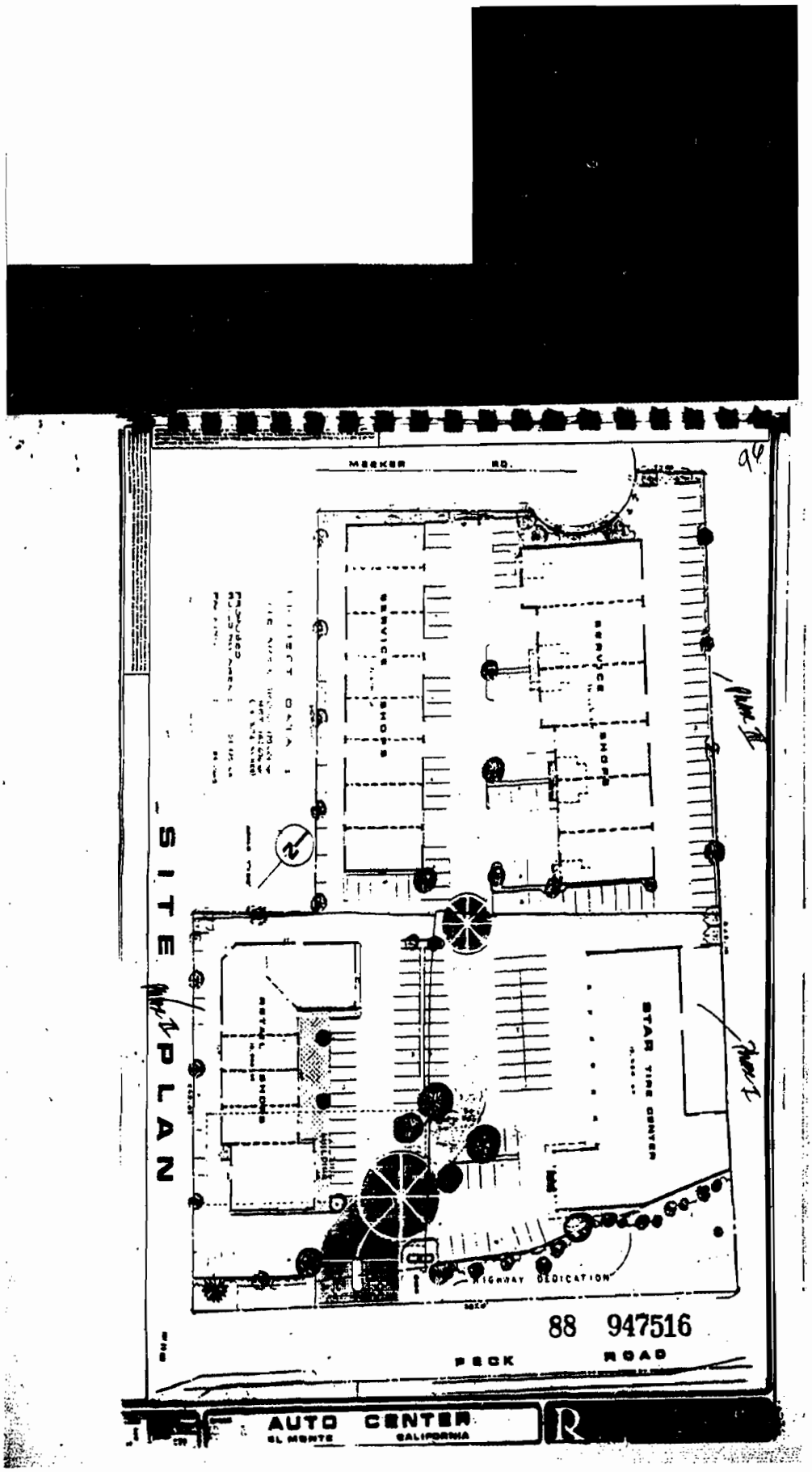
Description: Los Angeles,CA Document-Year.DocID 1988.947516 Page: 95 of 99
Order: 47 Comment:



Description: Los Angeles,CA Document-Year.DocID 1988.947516 Page: 96 of 99
Order: 47 Comment:

ATTACHMENT NO. 8

Certificate of Completion

All:|030.4-10|ah#1

88 947516

FORM OF CERTIFICATE OF COMPLETION

Recording Requested by and
when Recorded, Mail to:

_____
_____
_____

_____
(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

CERTIFICATE OF COMPLETION

We, _____, Chairman and _____, Secretary of the El Monte Community Redevelopment Agency (the "Agency") hereby certify as follows:

By its Resolution No. _____, adopted and approved _____, 19__, the Agency has resolved as follows:

Section 1. The improvements required to be constructed in accordance with that certain Disposition and Development Agreement (the "Agreement") dated _____, 19___, by and between the Agency and _____ (the "Developer") on that certain real property more fully described in Exhibit "A" attached hereto and incorporated herein by this reference, have been completed in accordance with the provisions of said Agreement.

Section 2. This Certificate of Completion shall constitute a conclusive determination of satisfaction of the agreements and covenants contained in the Agreement with respect to the obligations of the Developer, and its successors and assigns, to construct the improvements and the dates for the beginning and completion thereof; provided, however, that the Agency may enter the Property for purposes of enforcing any covenant surviving this Certificate of Completion in accordance with the terms and conditions of the Agreement. [INSERT SPECIFIC DEVELOPMENT AND OPERATION COVENANTS.] The Agreement is an official record of the Agency and a copy of the Agreement may be inspected in the office of the Secretary of the Agency located at the City Hall, 11333 Valley Boulevard, El Monte, California 91731, during regular business hours.

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(030.4-2)

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Section 3. The real property to which this Certificate of Completion pertains is more fully described in Exhibit "A" attached hereto.

DATED AND ISSUED this _____ day of_____, 19___.

_____
Chairman of the El Monte
Community Redevelopment Agency

(SEAL)

ATTEST:

_____
Secretary of the El Monte
Community Redevelopment Agency

A20:030.4-23/Ah#1
(030.4-2)

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Description: Los Angeles,CA Document-Year.DocID 1988.947516 Page: 99 of 99
Order: 47 Comment:

ATTACHMENT 7 – FIRE SERVICE AGREEMENT (FIRE STATION NO. 166)

1997 AGREEMENT FOR SERVICES (complete)

S - Traffic

C-13 Lower Azusa Road at Maxson Road Traffic Study (Community Development).

5-0

DESCRIPTION OF BUSINESS ITEM UNDER CONSIDERATION:

This item seeks City Council authorization for the traffic study at Lower Azusa Road at Maxson Road.

A - Org. Police

C-14 Excess Bicycle Disposition (Police Department).

5-0

DESCRIPTION OF BUSINESS ITEM UNDER CONSIDERATION:

Request City Council permission to give away approximately 70 bicycles through the Community Relations Office.

A - Public Relations Special Day/Events

C-15 Veterans Day Program - Sunday, November 9, 1997 (Administrative Office).

5-0

DESCRIPTION OF BUSINESS ITEM UNDER CONSIDERATION:

That the City Council provide input on their wishes for the Veterans Day Program.

A - Org. Fire Dept.

D. REGULAR AGENDA:

D-1 Los Angeles County Fire Department Consolidation Contract.

4-1 (Thurston)

DESCRIPTION OF BUSINESS ITEM UNDER CONSIDERATION:

City Council review of proposed final draft of Los Angeles County Fire Department Consolidation Contract and approval by City Council with a request for concurrence and approval by the Board of Supervisors as the governing body of the Los Angeles County Consolidated Fire Protection District.

10:10p Recess
10:25p Reconvene - all present

A - Corporate City Council

G-3 Consideration of Enacting an Ordinance for Filling Vacancies in Elected Positions.

cont to 8-26-97 5-0

DESCRIPTION OF BUSINESS ITEM UNDER CONSIDERATION:

Review of options for new policy on filling any further vacancy in elected offices.

A - Org. Fire Dept.

G-4 Resolution of the City Council Approving the Form of the 1997 Agreement for Services by and between the Consolidated Fire Protection District of Los Angeles County and the City of El Monte.

4-1 (Thurston)

Resolution Nc RESO NO 7790

DESCRIPTION OF BUSINESS ITEM UNDER CONSIDERATION:

For City Council adoption relating to County Fire Consolidation Proposal (See: City Council Agenda Item No. D-1, above).

4-1 (Thurston)

A - Org. Fire Dept.

G-5 Joint Resolution of the Board of Supervisors of the County of Los Angeles and the City Council of the City of El Monte Approving and Accepting Exchange of Property Tax Revenues Resulting from Annexation No. 97-2 to the Consolidated Fire Protection District of Los Angeles County, San Gabriel Valley Parcel No. 97-2, in the City of El Monte.

Resolution No.: RESO NO 7791

DESCRIPTION OF BUSINESS ITEM UNDER CONSIDERATION:

For City Council adoption relating to County Fire Consolidation Proposal (See: City Council Agenda Item No. D-1, above).

F-738

4-1 (Thurston) w/ changes

G-6 Restated Amendment No. 1 to the 1996 MOU (Firefighters Local 1014).

DESCRIPTION OF BUSINESS ITEM UNDER CONSIDERATION:

A technical amendment of the "close-out" MOU with El Monte Firefighters Local 1014 relating to a transfer of accrued vacation time for eligible firefighters to County payroll accounts. This technical modification has a fiscally neutral effect on the costs payable by the City for fire services under the County Consolidation proposal.

F-738

G-7 Amendment No. 1 to the 1996 MOU (Fire Managers' Association).

DESCRIPTION OF BUSINESS ITEM UNDER CONSIDERATION:

This amendment to the Fire Managers' Association 1996 MOU with the City provides the same type of City employment "close-out" arrangements as separately provided to the fire safety personnel membership of the Firefighters Local 1014 group. The cost payable by the City under the Fire Managers' close-out MOU has already been factored into the estimated costs of the County Fire Consolidation Proposal.

4-1 (Thurston) w/ changes

F-2407

G-8 Recommendation Regarding Coordination of Cost Accounting for Environmental Investigation and Other Potentially Recoverable "Response Costs".

rec + file

5-0

DESCRIPTION OF BUSINESS ITEM UNDER CONSIDERATION:

Receive and file City staff report and provide direction to City staff.

F-2416

G-9 Subsurface Environmental Hazard Investigation Studies Affecting Two Properties (Proposals for Consulting Environmental Engineering Services) (continued from July 22, 1997).

5-0

DESCRIPTION OF BUSINESS ITEM UNDER CONSIDERATION:

The City is evaluating information which suggests that unauthorized release of hazardous substances in the groundwater may have occurred at two (2) separate locations. One location is privately owned property (currently subject to bankruptcy reorganization) and the second location is at a site owned by a public agency. Such releases (if they have occurred) could potentially pose a danger to the groundwater resources of the community. It is requested that the City retain the services of an environmental engineering consultant to conduct an evaluation and review of previous work performed by third parties on these sites to verify the adequacy of prior investigations.

COUNTY OF LOS ANGELES
FIRE DEPARTMENT
1320 NORTH EASTERN AVENUE
LOS ANGELES, CALIFORNIA 90063-3294

(213) 881-2404

P. MICHAEL FREEMAN
FIRE CHIEF
FORESTER & FIRE WARDEN

March 31, 1998

Gregory Korduner, City Administrator
City of El Monte
11333 Valley Boulevard
El Monte, CA 91731

Dear Mr. Korduner:

Please find enclosed an executed original Agreement for Services By and Between the Consolidated Fire Protection District of Los Angeles County and the City of El Monte.

We are still gathering actual costs for the conversion costs. As soon as all of the schedules are finalized, we will send them to you for your approval and signature.

Please call me if you have any questions or need any assistance.

Very truly yours,

JOHN Y. GEE, CHIEF
PLANNING DIVISION

JYG:dkj

Enclosure

66

(D-1)

SERVING THE UNINCORPORATED AREAS OF LOS ANGELES COUNTY AND THE CITIES OF:

AGOURA HILLS	BRADBURY	CUDAHY	HIDDEN HILLS	LANCASTER	PALMDALE	ROLLING HILLS ESTATES	TEMPLE CITY
ARTESIA	CALABASAS	DIAMOND BAR	HUNTINGTON PARK	LA PUENTE	PALOS VERDES ESTATES	ROSEMEAD	WALNUT
AZUSA	CARSON	DUARTE	INDUSTRY	LAWNDALE	PARAMOUNT	SAN DIMAS	WEST HOLLYWOOD
						SANTA CLARITA	WESTLAKE VILLAGE
						SIGNAL HILL	WHITTIER
					LOS VERDES	SOUTH EL MONTE	
					HILLS	SOUTH GATE	

12-92

MASTER COPY OF THE

AGREEMENT FOR SERVICES BY AND BETWEEN THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY AND THE CITY OF EL MONTE

THIS AGREEMENT DATED:

NOVEMBER 27, 1997

FILE

A - ORGANIZATION FIRE DEPT.

YEAR 1997

AGREEM..NT FOR SERVICES BY AND BET..EEN THE
CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY
AND THE CITY OF EL MONTE

THIS AGREEMENT is made and entered into this 25th day of November , 1997, by and between the CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY, hereinafter referred to as the "DISTRICT," and the CITY OF EL MONTE, hereinafter referred to as the "CITY."

WITNESSETH

WHEREAS, CITY has decided to annex to DISTRICT for fire protection, hazardous materials, emergency medical, and all related services as authorized by Government Code Section 55632 and pursuant to the provisions of Section 56848.3 of the Government Code of the State of California; and

WHEREAS, it is the desire of the parties hereto to resolve, by this Agreement, certain matters which are related to such an annexation and the delivery of such fire protection, hazardous materials, emergency medical, and all related services in the CITY by the DISTRICT.

SECTION I. ANNEXATION EFFECTIVE DATE AND WITHDRAWAL FROM THE DISTRICT

(A) The effective date of this Agreement shall be the date approved by the Board of Supervisors of Los Angeles County which is November 25, 1997 , and this Agreement shall continue in effect until such time as the Agreement is terminated or otherwise renegotiated.

(B) The provision of service shall commence at 0800 hours on MAR 16 1998 , 199___, hereinafter referred to as the "commencement date of service" (to be established by the DISTRICT FIRE CHIEF).

(C) The date of annexation of CITY to DISTRICT shall be the date of recordation which shall be on or near the commencement date of service.

(D) CITY shall remain a part of DISTRICT for ten (10) years as of and from the commencement date of service. Subsequent to the initial ten-year term, this Agreement shall be automatically renewed from year to year. CITY may withdraw from DISTRICT anytime after the conclusion of the initial ten-year contract term subject to the requirements in Sections I and III herein.

(E) DISTRICT or CITY shall give at least one year's prior written notice to the other for termination of this Agreement and withdrawal from the DISTRICT anytime after the conclusion of the initial ten-year term, in accordance with Section I hereof. A notice of termination shall specify the date of termination and shall be sent to the addresses listed in Section III (I) herein or as subsequently changed by either party in writing.

(F) If the Agreement be is terminated by either party, the CITY shall initiate detachment proceedings through the Local Agency Formation Commission (LAFCO). The parties shall exercise best efforts to cause the detachment proceedings to be accomplished concurrently upon the date of termination indicated in the notice of termination. The party who terminates the Agreement, including any subsequent amendments, shall bear the cost of all fees associated with detachment of the CITY from the DISTRICT. Fees shall be defined as LAFCO fees, the State Board of Equalization fees, and any similar fees of this nature but shall not include any Board of Supervisors' or CITY administrative fees or attorneys' fees.

(G) A review of the terms and conditions of the Agreement may be initiated at any time by either party upon written notice to the other. Modifications may be made to the Agreement upon written consent of both parties, which consent shall not be unreasonably withheld or delayed. The parties agree to negotiate in good faith and deal fairly with respect to performance of this Agreement and to any proposed modifications to this Agreement.

//

SECTION II. SERVICES

(A) Services to be provided by DISTRICT to CITY include all fire protection, hazardous materials services, emergency medical services which include paramedic services, enforcement of the Fire Code and other appropriate ordinances, fire cause and arson investigation, plus all DISTRICT support services including, but not limited to, supervision, dispatching, training, equipment maintenance, supplies, and procurement, collectively referred to as "services."

(B) The power and authority relating to the rendition of services, the standards of performance, the discipline of personnel, and other matters related to the performance of such services and control of personnel so employed by DISTRICT shall remain within the sole discretion of the DISTRICT.

(C) All code enforcement, plan check approval, and other fire prevention activities shall be in accordance with the County of Los Angeles Fire Code and DISTRICT ordinances, regulations, standards, policies, and procedures.

(D) Transportation of a patient to a hospital in a medical emergency is not provided by DISTRICT. Emergency transport is provided under a City of El Monte/County of Los Angeles contractual arrangement with a private ambulance company licensed to operate within Los Angeles County.

(E) DISTRICT will participate in and support community emergency preparedness, education, training, and exercises. CITY shall retain responsibility for CITY's internal emergency management and related programs.

(F) Without cost to DISTRICT, CITY shall, within the legal boundaries of the CITY, retain responsibility for providing a water system including fire hydrants capable of supplying adequate water fire flow to DISTRICT. CITY shall cooperate with and assist DISTRICT in requiring that the CITY water department or other local water purveyors provide adequate water and hydrants for fire protection purposes within CITY without cost to DISTRICT.

(G) DISTRICT shall annually inspect all fire hydrants within CITY to ensure that fire

hydrants are mechanically operable and capable of delivering water. DISTRICT shall notify CITY water department or other local water purveyors, in writing, of any maintenance requirements as soon as possible after such inspections and at any other time DISTRICT becomes aware of maintenance or repair requirements. DISTRICT shall not be liable to pay CITY water department or any other water purveyors for hydrant installation, repair, maintenance, or rental fees or any other related costs or expenses.

(H) The transference of 9-1-1 calls to the DISTRICT by the CITY's Public Safety Answering Point shall be performed without cost to the DISTRICT.

(I) Nothing in this Agreement precludes the future expansion, closure, consolidation, or relocation of the fire stations referenced herein if such action is mutually beneficial to and agreed upon by both CITY and DISTRICT.

(J) Any agreed-upon adjustments in staffing may cause adjustments in the determination of the Annual Fee, as specified in Schedule 1 attached hereto.

SECTION III. ANNUAL FEE FOR SERVICES

(A) As provided for in the State of California Government Code, Section 56848.3, CITY shall pay an annual fee for DISTRICT services, hereinafter referred to as "Annual Fee." DISTRICT shall be paid monthly, in advance, from funds of CITY for the performance of the services referred to in Section II hereof. The Annual Fee shall be determined by the method specified in Schedule 1, attached hereto and made a part hereof. CITY shall pay DISTRICT one-twelfth (1/12) of the estimated or actual Annual Fee monthly, in advance, on or before the first day of each month. The one-year period for payment of the Annual Fee is defined as July 1 through June 30, herein referred to as "fiscal year."

(B) It is understood and agreed upon that ninety (90) days prior to the commencement of each fiscal year, DISTRICT shall submit a proposed estimate of the Annual Fee (estimated Annual Fee) for rendering services within the CITY for the ensuing fiscal year. This estimated Annual Fee shall include costs of DISTRICT salary and employee benefits and overhead.

Salary and employee benefits and overhead costs, as applied to the CITY's estimated or actual Annual Fee, shall be consistent with DISTRICT's actual cost.

(C) As soon as actual cost information is available, DISTRICT shall provide CITY a statement of the actual Annual Fee (actual Annual Fee) for rendering services during the current fiscal year which shall also include a summary of all credits due CITY or additional financial obligations of the CITY. If the actual Annual Fee is less than the estimated Annual Fee, the DISTRICT shall credit CITY for the difference, which amount shall be deducted from the first monthly invoice and, if applicable, the second monthly invoice subsequent to the statement of the actual Annual Fee. If the actual Annual Fee is greater than the estimated Annual Fee, the additional amount due DISTRICT will be paid by CITY during the subsequent fiscal year as follows. One-twelfth (1/12) of such additional Annual Fee shall be added and paid in each of CITY's subsequent twelve (12) monthly payments.

(D) A limitation shall be placed on increases in the amount of actual Annual Fee to be paid by CITY each year, hereinafter referred to as "Annual Fee Limitation." For purposes of calculation of the Annual Fee Limitation, the Annual Fee shall not include any credits or rebates of any kind. This Annual Fee Limitation shall be subject to annual change after the initial five-year period of this Agreement. During the initial five-year period, the Annual Fee Limitation shall be limited to 6.5% per fiscal year. After the initial five-year period, during each subsequent fiscal year, the Annual Fee Limitation shall be the average of the immediately preceding five years' percentage increases in the actual Annual Fee plus one percent (1%).

Any increases in costs necessitated or mandated by legislative or judicial decisions or actions, other than penalties or punitive damages due to negligence of DISTRICT, shall not be subject to the Annual Fee Limitation and shall be due in any fiscal year in which they occur.

(E) In any year where the CITY's actual Annual Fee, as determined in Section III (C) herein, exceeds the preceding fiscal year's actual Annual Fee plus the applicable Annual Fee Limitation, hereinafter referred to as "Annual Fee Limitation excess," payment of the Annual

Fee Limitation excess shall be deferred to a subsequent future fiscal year(s) where the increase in the actual Annual Fee for that fiscal year over the preceding fiscal year is less than the Annual Fee Limitation. The Annual Fee Limitation excess will be repaid by CITY in any subsequent fiscal year(s) to the extent the actual Annual Fee increase in that fiscal year is less than the Annual Fee Limitation for that fiscal year. One-twelfth (1/12) of such Annual Fee Limitation excess shall be added and paid in each of CITY's twelve (12) monthly payments for the subsequent fiscal year(s).

In the event CITY withdraws from the DISTRICT or DISTRICT terminates this Agreement, any unpaid Annual Fee Limitation excess shall be due and payable to the DISTRICT no later than the effective date of withdrawal. Should a credit be due the CITY from DISTRICT, a refund shall be paid to CITY no later than the effective date of withdrawal.

(F) With the exception of the lease/purchase of the Quint, conversion costs, as specified in Schedule 2 attached hereto and made a part hereof, shall be charged to CITY and shall be paid in thirty-six (36) equal monthly payments, which amount shall be added to the monthly invoices for the Annual Fee commencing with the first month's Annual Fee invoice or as soon as the amount of the conversion costs is available.

(G) CITY shall pay all annexation processing fees by check directly to and upon request by DISTRICT. Such fees are anticipated to be:

State of California Board of Equalization	$ 300.00
County of Los Angeles Local Agency Formation Commission	$5,000.00

(H) Fire protection, hazardous materials, emergency medical, and all related services, as set forth in Section II herein, shall not be performed by DISTRICT hereunder unless CITY shall:

1. Have available funds previously appropriated to cover the Annual Fee.

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2. Have paid, when due to DISTRICT, the monthly payments for the Annual Fee from the previously appropriated funds.

(I) DISTRICT shall invoice CITY at least thirty (30) days in advance of any scheduled monthly payment. Payment of all invoices resulting from this Agreement shall be due and payable thirty (30) days from the date of invoice. Invoices and general notices shall be sent to CITY at:

City of El Monte, City Hall, Finance Department
11333 Valley Boulevard
El Monte, CA 91731

Payments shall be sent to DISTRICT at:

Los Angeles County Fire Department
P. O. Box 54740
Los Angeles, CA 90054-0740

General notices shall be sent to DISTRICT at:

Fire Chief P. Michael Freeman
Los Angeles County Fire Department
1320 North Eastern Avenue
Los Angeles, CA 90063-3294

Either party shall notify the other, in writing, of an address change.

(J) If the commencement date of service is in the middle of any month, the pro rata share for that month and full payment for the following month shall be paid in advance. The pro rata monthly share shall be calculated as follows:

Divide the Annual Fee by 365 days (daily rate) and multiply the daily rate by the number of days remaining in the month as of the commencement date of service.

(K) Interest shall be added to any payment invoiced by DISTRICT and that is received by DISTRICT after the due date (late payment). The interest rate on any late payment shall be established as the prevailing prime lending rate for Bank of America or any successor financial institution as of the first day payment is late. The period for computing this interest shall commence the day following the payment due date and end one day prior to the date of receipt

of payment by the DISTRICT. The interest payment shall be computed as follows:

$$\frac{\text{No. of Days Late}}{365 \text{ Days}} \times \text{Prime Lending Rate} \times \$ \text{ Amount of Payment} = \text{Late Payment Interest Charge}$$

(L) The Annual Fee in this Agreement is based upon the CITY boundaries and service requirements as of the commencement date of service of this Agreement.

(1) Should CITY annex additional areas from which DISTRICT receives property taxes, DISTRICT shall continue to receive its full share of property taxes DISTRICT generates from those areas with no adjustment to the Annual Fee. In addition, should CITY desire that the DISTRICT's special tax be discontinued in the annexed area within the CITY, CITY shall facilitate a property tax transfer of an additional amount equal to the revenue generated by the special tax in the annexed area within the CITY. CITY shall not incur any additional Annual Fee costs as a result of annexation.

(2) Should CITY annex any area in which DISTRICT does not receive property taxes (such as from a non-DISTRICT city), staffing levels shall be adjusted to adequately serve the annexed area and CITY's Annual Fee shall be adjusted accordingly as determined by DISTRICT and reviewed by CITY.

(3) The DISTRICT shall continue to receive its full share of property tax revenue generated in any existing CITY areas which are currently within the DISTRICT.

(4) Should any existing CITY area or any CITY-annexed area from which the DISTRICT derives property tax funding subsequently be included in a redevelopment project area, either the El Monte Community Redevelopment Agency, hereinafter referred to as "Agency," shall exempt the DISTRICT from tax increment financing of Agency redevelopment project(s) or the CITY shall annually reimburse DISTRICT for property taxes in a sum each fiscal year equal to the amount of property tax revenues allocated and paid to the Agency as tax increment revenue which, in the absence of an allocation of property taxes, would have been allocated and paid to the DISTRICT. Any such reimbursement to the DISTRICT under this Section III (L)(4) shall not be credited by the DISTRICT to the Annual Fee payable by the

CITY.

(M) All revenues generated from fees established or implemented by DISTRICT shall be DISTRICT revenues. Fees of any nature collected by CITY on behalf of DISTRICT and fees for any work DISTRICT performs shall be passed through to DISTRICT by CITY as DISTRICT revenues. CITY shall be authorized to retain a five percent (5%) administrative charge for any fees collected on behalf of DISTRICT. Any fees charged and collected by the CITY for services provided by CITY for which CITY shall continue to charge subsequent to the commencement date of service shall remain as revenues of the CITY provided that such fees are not identified as fees for DISTRICT services. DISTRICT shall be authorized to retain a five percent (5%) administrative charge for any fees collected by DISTRICT on behalf of CITY or for any CITY fee programs that are administered by DISTRICT on behalf of CITY. Excluding any State, Federal, or judicially mandated programs or fees, any fees established by DISTRICT to be imposed in CITY after the commencement date of service shall require the prior approval of CITY, which approval shall not be unreasonably withheld. After giving written notice to DISTRICT, CITY may at any time choose to pay, in part or whole, any fees levied by DISTRICT in lieu of imposition on the citizens of CITY.

In the event that an incident occurs within the CITY while this Agreement is in effect during which the DISTRICT may be required to deploy a substantial number of DISTRICT apparatus and personnel to such incident, the DISTRICT reserves the right to pursue cost recovery at its sole discretion against the generator of the incident but not against the CITY. In the event the CITY were to pursue cost recovery for DISTRICT resources deployed to such an incident, the CITY shall promptly pay to the DISTRICT all such DISTRICT costs recovered by the CITY less the cost of CITY's recovery efforts. Costs for DISTRICT resources paid for by the CITY through this Agreement as detailed on Schedule 1 herein and deployed to such an incident, shall not be recoverable by DISTRICT from CITY.

(N) In the event that a billing/payment dispute arises between the DISTRICT and CITY,

the parties will negotiate in good faith to resolve the dispute, and the following procedures will be taken to resolve the dispute:

1. The dispute will be specified, in writing, and presented to the DISTRICT jurisdictional Assistant Fire Chief if a CITY dispute or to the CITY ADMINISTRATOR if a DISTRICT dispute within thirty (30) days of the receipt of a disputed invoice or payment under protest. The CITY shall pay any disputed invoice "under protest."

2. If the DISTRICT and CITY cannot fully resolve the dispute within ninety (90) days of receipt of written notification of this dispute (impasse), the impasse will be sent to an independent arbitrator for resolution. Said arbitrator shall be selected jointly within forty-five (45) days of impasse and shall be paid for equally by CITY and DISTRICT. If DISTRICT and CITY cannot agree on an arbitrator, each party shall, at its own expense, retain an arbitrator within thirty (30) days after jointly selected arbitrator should have been selected. These two arbitrators will, within thirty (30) days, mutually select a third arbitrator. The mutually agreed-upon arbitrator will resolve the matter within thirty (30) days after his/her selection. DISTRICT and CITY shall share equally the cost of the third arbitrator. The arbitrator's resolution of the impasse shall be final and binding.

If the DISTRICT prevails in arbitration, all money owed and not paid to the DISTRICT will be forwarded to the mailing address identified in Section III (I) herein within thirty (30) calendar days from the date of the issuance of the arbitration decision. In addition, the CITY will be assessed and pay the interest payment amount as calculated for an interest payment in Section III (K) of this Agreement.

If the CITY prevails in arbitration and has paid the DISTRICT the disputed amount, a refund to CITY will be forwarded to the mailing address identified in Section III (I) herein within thirty (30) calendar days from the date of the issuance of the arbitration decision. In addition, DISTRICT will pay to CITY the interest as calculated for an interest payment in Section III (K) of this Agreement.

(O) The DISTRICT shall credit to the CITY's Annual Fee billing the cost expended by CITY to fulfill the requirements of Section VII (C)(11), herein, in the invoice subsequent to DISTRICT'S receipt of cost documentation. CITY shall present documentation satisfactory to DISTRICT of the amount expended prior to credit being issued.

(P) Sick and vacation benefit days, as provided for in Section VII (C)(6) and (7) herein and as detailed on Schedules 7, 8, 10 and 11 attached hereto and made a part hereof, shall be charged to the CITY and shall be paid in thirty-six (36) equal monthly payments which shall be added to the monthly invoice to the Annual Fee commencing with the first month's Annual Fee invoice or as soon as practicable after the finalization of those Schedules.

(Q) CITY shall be billed for the lease/purchase of a Quint apparatus as described in Section IV (F) herein. Each annual lease/purchase payment shall be added to the monthly invoice for the Annual Fee and be paid by CITY in twelve (12) equal monthly payments commencing with the first month's invoice after the receipt of the apparatus.

(R) CITY shall be granted a $5,000 credit against conversion costs for the arson dog, whose ownership shall be transferred to DISTRICT upon the commencement date of service.

SECTION IV. EQUIPMENT, FURNITURE, FURNISHINGS, AND EXPENDABLE EQUIPMENT/FIRE APPARATUS AND EQUIPMENT

(A) CITY shall make available for transfer to DISTRICT all fire apparatus, vehicles, fire equipment, and fire station furnishings and equipment identified by DISTRICT, in writing, and listed in Schedules 4 and 5 attached hereto. All items not transferred to DISTRICT will remain with the CITY.

(B) All right, title, and interest in said apparatus shall be conveyed to DISTRICT free and clear of any encumbrances. CITY shall be responsible for any and all outstanding loans or liens against said apparatus with the exception of Section IV(G) herein.

(C) All fire and other equipment basic to the operation of the apparatus specified above and all other CITY Fire Department equipment, as inventoried and identified on Schedule 4

attached hereto, shall be transferred to DISTRICT on the commencement date of service.

(D) On the commencement date of service, CITY shall transfer to DISTRICT all fire station equipment, furniture, furnishings, and expendable tools incidental to fire station operation as identified on Schedule 5 attached hereto and made a part hereof.

(E) All fire apparatus, vehicles, and related apparatus/vehicular equipment transferred to the DISTRICT by the CITY shall be in good working order. CITY shall pay for any fire apparatus and vehicle repairs necessary due to deferred or deficient maintenance. Prior to the commencement date of service, the DISTRICT shall inspect all such fire apparatus and vehicles and identify any repairs required due to deferred or deficient maintenance. DISTRICT shall add the cost for repairs to the conversion costs and modify Schedule 2 accordingly.

(F) On behalf of CITY, DISTRICT shall lease/purchase a Quint apparatus for the provision of fire protection services in the CITY. Monthly invoices for the CITY's Annual Fee shall include the cost of the apparatus as detailed in Section III(Q) herein.

(G) CITY shall facilitate transfer to the DISTRICT of the lease to the 1992 Nissan support vehicle (VIN #JNALG08J1NGN65252). No additional credit shall be due CITY nor shall this vehicle be returned to CITY upon withdrawal of CITY from DISTRICT.

SECTION V. FIRE STATIONS

(A) Upon the commencement date of service, all four (4) existing CITY-operated fire stations shall be used and occupied by DISTRICT as listed on Schedule 3 attached hereto and made a part hereof. CITY shall lease to DISTRICT for one dollar ($1) annually each of the three CITY-owned fire stations as identified on Schedule 3. DISTRICT owns the CITY'S Fire Station 4 facility and leases the facility to CITY. As of the commencement date of service provided through this Agreement, said lease to CITY shall be terminated.

(B) CITY represents and warrants that it has performed all environmental cleanup of hazardous materials at all stations as required by all applicable Federal, State, and local laws as

detailed in Section VIII (C, herein.

CITY represents and warrants that CITY has, or will by December 31, 1998, as Federally mandated, at its own expense, properly removed and replaced all underground fuel tanks from all CITY fire stations in accordance with all applicable Federal, State, and local requirements and standards. DISTRICT assumes no responsibility for any and all contamination or environmental damage or liability whatsoever from said fuel tanks or their removal. CITY shall indemnify, defend, and hold harmless DISTRICT from any claims, liabilities, damages, costs or expenses of any nature whatsoever related to past or present fuel tanks located at any CITY-owned fire station site.

CITY shall indemnify, defend, and hold harmless DISTRICT for any liability, cost, expense, claims, or damages arising from any contamination or environmental damage of any kind whatsoever at or adjacent to CITY-owned fire station sites in any way related to CITY fuel tanks, asbestos, if any, at CITY fire station sites or related to all other hazards or conditions caused or created by CITY.

(C) DISTRICT shall be responsible for utility payments related to its use of CITY fire stations.

(D) DISTRICT shall perform all routine day-to-day maintenance and minor repairs on all fire station facilities leased from CITY identified on Schedule 3 attached hereto. DISTRICT shall be responsible for minor and routine fire station repairs up to $20,000 per station, per year. DISTRICT shall notify CITY, in writing, if the total cost for minor and routine repairs for any of the CITY-owned fire stations in any one year is anticipated to exceed $20,000. If DISTRICT expends less than $20,000 for routine repairs on any fire station, any amount less than $20,000 for such fire station shall not be credited against another fire station nor shall it be carried over from year to year. Routine repairs shall include, but not be limited to, the following: repair or replacement of apparatus room doors; floor replacement; ceiling replacement; incidental plumbing and electrical repairs; heating and air conditioning repairs;

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exhaust fan replacement; etc.; and minor remodeling such as shower refurbishment, installation of stainless steel counter tops, and additional cabinets for offices and/or lockers. All repairs or portions thereof in excess of $20,000 per station, per year, shall be the responsibility of the CITY. Any non-routine repairs hereinafter shall be referred to as "major repairs" and shall be identified, in writing, by the DISTRICT and presented to CITY. In the event of a dispute regarding the existence of major repairs, the general arbitration procedures stated in Section III(N) shall be utilized. Major repairs shall be undertaken by the CITY within twelve (12) months of DISTRICT's identification to CITY or other time period as mutually agreed upon by DISTRICT FIRE CHIEF and CITY ADMINISTRATOR unless said major repair is deemed an emergency, hereinafter referred to as "emergency major repair."

Emergency major repair shall be defined as one that, if left unrepaired, would compromise the health, welfare, or security of the station inhabitants or the public as determined by DISTRICT. CITY shall commence emergency major repairs within two (2) days of notification by DISTRICT or DISTRICT will undertake the necessary repairs and invoice the CITY for the cost of repairs, which invoices will be paid by CITY on the same terms and conditions as the payment of the Annual Fee. Emergency major repairs shall be promptly completed.

(E) DISTRICT shall inspect all CITY fire stations prior to acceptance and occupancy. After DISTRICT acceptance of each CITY fire station, DISTRICT shall be responsible for station repairs to the extent and as defined in Section V (D) herein.

(F) CITY shall, at all times during the term of this Agreement, maintain hazard insurance at CITY expense on CITY-owned fire stations listed on Schedule 3 attached hereto.

(G) DISTRICT shall lease to CITY, for $1 a year, a portion of the fire station property located at 5112 North Peck Road, El Monte, for the purpose of maintaining a fifty (50) foot communications tower for operation by the El Monte Police Department. CITY shall be responsible for the cost of all utilities associated with the tower and the cost for installation of

separate metering if necessary. At all times during the lease of this property to CITY, CITY shall maintain, at CITY expense, comprehensive liability insurance of not less than $1,000,000 per occurrence for said communications tower. Such insurance shall be primary to any other similar insurance and shall name the Consolidated Fire Protection District of Los Angeles County as additional insureds. Such insurance may be provided through self-insurance. CITY shall provide DISTRICT evidence of such insurance prior to the lease commencement.

(H) DISTRICT shall be fully responsible for any major repairs or any damages arising solely from the intentional or negligent acts of DISTRICT's personnel.

(I) The operation and maintenance of the gasoline and diesel fuel systems at CITY Fire Station 1 will be the responsibility of the DISTRICT after the commencement date of service. DISTRICT will allow the CITY to obtain gasoline or diesel fuel at CITY Fire Station 1 with reimbursement to DISTRICT. DISTRICT shall submit invoices to the CITY for reimbursement for fuel issuances at CITY Fire Station 1. The rate and terms of reimbursement shall be defined in the Memorandum of Understanding, included herein as Schedule 12 and attached hereto and made a part hereof, entered into by the CITY ADMINISTRATOR and the DISTRICT'S FIRE CHIEF prior to the commencement date of service or as soon as practicable thereafter.

SECTION VI. INDEMNIFICATION

(A) Except as specifically otherwise provided in this Agreement, neither party shall be liable for the negligent or wrongful acts of the other in the performance of this Agreement.

(1) CITY agrees to indemnify, defend, and hold harmless DISTRICT and County of Los Angeles, its elected and appointed officers, its agents, and employees from any and all liability and expense, including defense costs and legal fees, arising from or connected with claims and lawsuits arising from the negligent or wrongful acts of CITY in the performance of this Agreement.

(2) DISTRICT agrees to indemnify, defend, and hold harmless CITY, its elected and

appointed officials, its agents, officers, and employees from any and all liability and expense, including defense costs and legal fees, arising from or connected with claims and lawsuits arising from the negligent or wrongful acts of DISTRICT in the performance of this Agreement.

SECTION VII. PERSONNEL

(A) SWORN EMPLOYEES

(1) Appointment - Subject to the provisions of the California Government Code, Section 1031; the Charter of the County of Los Angeles, Section 56 3/4; and the Los Angeles County Code, Section 6.02.040; DISTRICT agrees to appoint, without further civil service examination, CITY Fire Fighter series employees exclusive of temporary or apprentice Fire Fighters, hereinafter referred to as "sworn employees," specified on Schedule 6 attached hereto and made a part hereof, who have successfully completed six (6) months' continuous service with CITY. Sworn employees' continuous service with CITY must include actual firefighting experience in a permanent Fire Fighter position. Safety employees hired before March 31, 1997 have a mandatory retirement age of sixty (60). For purposes of the mandatory retirement age for transferring safety employees, the sworn CITY employees' commencement of service with the DISTRICT shall be deemed to be the date of hire in a safety capacity with the CITY. Safety employees who have reached their 60th birthday and were hired by CITY before March 31, 1997 shall not be blanketed in to DISTRICT service.

(2) Probation - All sworn employees on probation will remain on probation until completing DISTRICT probationary period and requirements.

(3) Positions - CITY sworn employees qualified pursuant to this Section VII are fully identified on Schedule 6 attached hereto and are subject to the terms and conditions of this Agreement. CITY sworn employees shall be employed by DISTRICT in the number and status as follows:

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Number	District Status
12	Captains
13	Fire Fighter Specialists
Remainder	Fire Fighters

CITY shall designate sworn employees to be assigned to the Captain, Fire Fighter Specialist, and Fire Fighter positions indicated above. Any CITY designated employee shall be eligible for the assigned position if the employee has held the position being designated to or a higher position in the service of the CITY. Duly authorized representatives from both the El Monte Firefighters Local 1014 and the El Monte Fire Managers Association shall approve, in writing, the appointment of the personnel designated to the ranks of Captain and Fire Fighter Specialist as indicated on Schedule 6 attached.

(4) Firefighting Experience - CITY sworn employees to be assigned to the position of Fire Captain shall have five (5) years' firefighting experience. CITY represents and warrants that those employees assigned Fire Captain positions have a minimum of five (5) years' firefighting experience.

(5) Driving Skills - All CITY sworn employees who are to be assigned fire apparatus operation responsibilities as Fire Fighter Specialists will be tested and trained, as may be required by DISTRICT. Any CITY sworn employee who does not initially qualify in fire apparatus operations prior to the commencement date of service will be assigned other duties. After being provided training by the DISTRICT, transferring Fire Fighter Specialists will be required to pass a fire apparatus operations test. Fire Fighter Specialists who do not pass the fire apparatus operations test may be demoted.

(6) Driver's License - As a condition of employment, all CITY sworn employees will be required to obtain the appropriate California Driver's License, which is currently a "Class BR with appropriate endorsements," in accordance with the California Department of Motor Vehicles requirements. No employee shall have license restrictions which would prevent her/him from performing her/his employment duties.

(7) EMT-1 Training - Sworn members of DISTRICT are required to be certified as Emergency Medical Technician I (EMT-1). CITY sworn employees transferring to DISTRICT shall be provided the necessary training by the DISTRICT if employees do not have a current and appropriate EMT-1 certification.

(8) POST Training - All sworn members of DISTRICT are required to satisfactorily complete the Peace Officer Standards and Training (POST) course. CITY sworn employees transferring to DISTRICT shall be provided the required training if employees have not already completed the POST course.

(9) Seniority - The annexation of CITY to DISTRICT will result in the creation of 46 additional DISTRICT sworn positions. More than 46 sworn employees may be transferring from CITY to DISTRICT. Pursuant to Section 53292 of the California Government Code, so as not to impair the seniority rights of existing DISTRICT sworn employees as a result of the 46 newly created sworn positions, only 46 CITY sworn employees with the most CITY Fire Department continuous service time will receive DISTRICT seniority rights and County seniority. DISTRICT seniority is principally used for transfer bidding rights and, for these 46 positions, will be based on service time in the Fire Fighter series with CITY Fire Department. County seniority which, as defined in Los Angeles County Civil Service Rule 2.15 as "continuous service," is principally used for purposes of determining the order of economic layoff or reduction and, as defined in Section 6.04.040 of the Los Angeles County Code as "continuous service," is principally used for purposes of determining rights to some types of paid leave and, for these 46 positions, will include all service time with the CITY. The assigned DISTRICT and County seniority dates for the remaining sworn employees will be the commencement date of service. They will be placed on the DISTRICT seniority list and also assigned a County continuous service date in order of their relative service time. In the event any two or more transferring CITY employees have the same continuous service date with the CITY Fire Department, the CITY shall use whatever method currently utilized by the CITY to

determine the manner in which the seniority for those affected employees shall be established. As those CITY sworn employees with full DISTRICT and County seniority rights leave DISTRICT service, the remaining sworn employees will be assimilated into full DISTRICT and County seniority status based on their time in service as sworn CITY/DISTRICT employees.

(10) Promotional Exams - All non-probationary transferring sworn employees shall be immediately eligible for promotional examination within the DISTRICT. All time in rank as a sworn CITY/DISTRICT employee shall be considered for purposes of determining eligibility for promotional examination.

(11) Longevity Bonus - For purposes of determining eligibility for the DISTRICT's Fire Fighter longevity bonus for those CITY employees blanketed-in to DISTRICT in the Fire Fighter classification, all continuous CITY service time in the Fire Fighter or successive promotional classifications shall be deemed as fulfilling the required aggregate service time for longevity bonus entitlement.

(B) NON-SWORN EMPLOYEES

(1) Appointment - DISTRICT may agree to appoint without further civil service examination non-Fire Fighter series employees, hereinafter referred to as "non-sworn employees," who have successfully completed six (6) months' continuous service with CITY and who shall be listed on Schedule 9 attached hereto and made a part hereof. Prior to permanent appointment, all non-sworn employees shall successfully complete a probationary period consistent with Los Angeles County Civil Service Rules.

(2) Seniority - Since non-sworn positions are not being created as a result of this annexation, the DISTRICT and County seniority date for all transferring non-sworn CITY employees shall be the commencement date of service.

(C) ALL EMPLOYEES

(1) Medical Exam - Prior to the commencement date of service, as a condition of DISTRICT employment, it will be required that each CITY employee be medically qualified by

a DISTRICT-administered physical examination, which includes a drug screening component, and shall be subject to a background investigation. Any transferring CITY employee who is on medical leave of absence on the commencement date of service shall be blanketed into DISTRICT if he/she passes the required medical examination and background investigation upon termination of medical leave.

(2) Salary Step Placement - For the purpose of determining an employee's DISTRICT salary step placement, "CITY salary" shall be defined as all monthly earnings that are eligible towards CITY retirement credit, excluding all paramedic bonuses, any compensation for unused benefit days, and all overtime earnings. The employee's initial salary step placement shall not be less than his/her CITY salary.

a) Sworn employees - Except as provided in Section VII (C)(9), all service time accrued as a sworn employee in the service of the CITY shall be considered for the purpose of determining County employee benefits and step placement on the applicable County salary schedule. Salary step placement of sworn employees shall be within the salary range of the DISTRICT position assigned but no less than the salary step that provides for the same salary or next higher salary as the sworn employee's CITY salary. Subsequent salary step advances, if applicable, shall be one year from the last step advance with the CITY or in accordance with County policy, whichever is sooner. In the event that the sworn employee's CITY salary is higher than the top step of the County salary range, the sworn employee will be placed on the top step of that range but shall be Y-rated so that no loss in pay occurs. A sworn CITY employee's Y rate shall remain in effect until the regular salary, including any bonuses, exceeds the Y rate amount. Should the sworn employee realize a salary reduction as a result of a voluntary assignment change and the salary returns to less than the Y-rated amount, the sworn employee's Y rate shall be restored. Sworn employees who have accrued CITY service time in a non-sworn position shall have such non-sworn service time considered for purposes of determining County seniority date and benefits but not salary step placement.

b) Non-sworn Employees - Except as provided in Section VII(C)(9), all service time accrued as a non-sworn employee in the service of the CITY shall be considered for the purpose of determining sick leave and vacation but not for DISTRICT or County seniority. Salary placement of non-sworn employees shall be within the salary range of the DISTRICT position assigned and at the salary step that provides for the same salary or next higher salary as the employee's CITY salary as of the commencement date of service through this Agreement. In the event that the employee's CITY salary is higher than the top step of the County salary range, the employee will be placed on the top step of that range but shall be Y-rated so that no loss in pay occurs.

(3) Taxes - This Agreement does not exempt transferring CITY employees from applicable payroll taxes required of new employees such as Health Insurance Tax (HIT).

(4) Uniforms - CITY-issued uniforms and safety equipment shall be transferred to the DISTRICT with the transferring employees. CITY uniforms will be supplemented by DISTRICT-issued uniforms and/or safety equipment necessary to meet DISTRICT requirements. Subsequent uniform issues will be as provided for in the current Memorandum of Understanding for the respective employee representation units entered into between the County of Los Angeles and the certified employee organizations, if applicable.

(5) Personnel/Medical/Time Records - Subject to permission being granted by CITY employees, CITY will provide DISTRICT with complete personnel and employment medical records of all CITY personnel to be transferred pursuant to this Agreement, including all claims for disability compensation. In addition, CITY will provide DISTRICT with a minimum of one year's time records of "hours worked" prior to the commencement date of service for all CITY personnel to be transferred pursuant to this Agreement. As a condition of DISTRICT employment, CITY employees must consent to the transfer of complete personnel and employment medical records to DISTRICT. Each transferring employee shall certify to DISTRICT the completeness of his/her personnel file.

(6) Vacation Shifts/Days - CITY shall pay to DISTRICT, in the manner set forth in Section III (P) herein, vacation benefit shifts/days for transferring employees at CITY's salary rates in effect on the commencement date of service to a maximum of twenty (20) vacation days or ten (10) shifts, whichever is applicable, and not to exceed each employee's CITY entitlement to benefit shifts/days. Vacation benefit shifts/days are outlined in Schedule 7 for sworn personnel and Schedule 10 for non-sworn personnel, which are attached hereto and made a part hereof. CITY salary rates for reimbursement to DISTRICT are defined as follows: base salary plus all monthly bonuses plus CITY-paid employee retirement contributions.

(7) Sick Shifts/Days - CITY shall pay to DISTRICT, in the manner set forth in Section III (P) herein, sick benefit shifts/days for transferring employees at CITY's salary rates in effect on the commencement date of service to a maximum of twelve (12) sick days or six (6) shifts, whichever is applicable, and not to exceed each employee's CITY entitlement to sick benefit shifts/days. Sick benefit shifts/days are outlined in Schedule 8 for sworn personnel and Schedule 11 for non-sworn personnel, which are attached hereto and made a part hereof. CITY salary rates for reimbursement to DISTRICT are defined as follows: base salary plus all monthly bonuses plus CITY-paid employee retirement contributions.

(8) Waiver of Accumulated Benefits - DISTRICT shall not assume any responsibility for personnel benefits or CITY obligations accrued by CITY employees prior to the commencement date of service except as expressly provided for in this Agreement. CITY shall provide a waiver for said accumulated benefits by each CITY employee as a condition of employment by DISTRICT, executed in favor of DISTRICT. It is further understood that employees subject to this Agreement shall become eligible for vacation, sick, and holiday time while in DISTRICT service only as provided in DISTRICT Salary Resolution, Los Angeles County Salary Ordinance, or as designated in Section VII (C)(6) and (7) herein.

(9) Los Angeles County Employees Retirement Association

a) All sworn employees subject to this Agreement will, on the first day of the

month following the date they are appointed to a position in the DISTRICT, become members of the Los Angeles County Employees Retirement Association (LACERA) Plan B for Safety Members or any other Safety Plan as permitted by LACERA.

b) All non-sworn employees subject to this Agreement will, on the first day of the month following the date they are appointed to a position in the DISTRICT, become members of one of the non-safety LACERA plans available at the time of the commencement date of service.

c) Service performed by such sworn and non-sworn personnel while employees of the CITY shall not be credited as retirement service with LACERA and, except as provided in Government Code Section 31836.1, shall not be counted for the purpose of discontinuing contributions after thirty (30) years of continuous service pursuant to Government Code Sections 31625.2 and 31664 and shall not be counted for the purpose of determining health insurance premiums charged to LACERA retirees.

(10) Workers Compensation - California Labor Code Sections shall govern Workers' Compensation benefits for all transferring CITY employees who sustain industrial injuries. Notwithstanding Section 5500.5 et seq. of the Labor Code, CITY agrees to reimburse DISTRICT for all indemnity costs for which DISTRICT shall be liable for those industrial injuries apportionable in whole or in part to employees' employment with CITY.

(11) Health Insurance - CITY shall continue to provide the existing coverage of paid medical and dental insurance for all employees transferring to the DISTRICT for two (2) full calendar months after the commencement date of service or, for those employees on medical leave with the CITY on the commencement date of service, for at least two (2) full calendar months after the effective date of their blanketing in to the DISTRICT. DISTRICT shall reimburse CITY as specified in Section III (O).

(12) Deferred Compensation Plans - Notwithstanding Section 6.02.040 of the Los Angeles County Code, CITY employees transferring to the DISTRICT shall be eligible for

immediate participation in Los Angeles County employees' deferred compensation plans for which they may be eligible, depending upon their transferred rank, unless such immediate eligibility is otherwise prohibited by Federal or California statute or regulation.

(13) DISTRICT Employees' Rights - The employment rights of existing DISTRICT employees shall not be impaired by this Agreement.

SECTION VIII. ENVIRONMENTAL QUALITY CONTROL

(A) DISTRICT shall be responsible for all steps required to comply with the provisions of the California Environmental Quality Act of 1970 (CEQA), insofar as the same may apply to the annexation proceedings required in annexing CITY to DISTRICT. DISTRICT agrees to hold CITY free and harmless from any and all claims, demands, or judgments arising out of DISTRICT's failure, for whatever reason, to comply with the provisions of CEQA relative to annexation procedures.

(B) Prior to the commencement date of this Agreement, CITY shall have a Cal-OSHA Registered Environmental Assessor perform a Phase I Site Assessment and Building Asbestos Survey and, if subsequently required, a Phase II Site Assessment on all CITY-owned fire stations. The Site Assessment and related reports shall be reviewed by the DISTRICT.

(C) CITY shall, at its sole expense, mitigate and abate all environmental hazards (if any) and provide evidence to the DISTRICT that all recommended measures have been completed and that all applicable laws and requirements have been complied with. Any residual contaminations or environmental damage from conditions on or adjacent to CITY-owned fire stations which existed before the commencement date of service and discovered after the commencement date of service shall be the responsibility of the CITY.

(D) DISTRICT shall, at its sole expense, mitigate and abate all environmental damage caused by DISTRICT or its agents at all CITY-owned fire stations.

(E) Prior to occupancy of CITY-operated fire stations by the DISTRICT, DISTRICT shall inspect all such stations and identify all hazardous materials stored at those stations for which

CITY shall be responsible for the removal. CITY shall remove all identified hazardous materials prior to DISTRICT occupancy of the stations. If, after DISTRICT occupancy of CITY-operated fire stations, stored hazardous materials are discovered by the DISTRICT which were not previously identified during the above inspection, CITY shall remove said materials within thirty (30) days after written notice by DISTRICT to CITY or DISTRICT may remove the materials and invoice CITY for the costs of removal. In the event such hazardous materials pose an immediate danger to human health or the environment as determined by the DISTRICT, such materials shall be removed immediately by CITY upon notification by DISTRICT to CITY.

SECTION IX. HAZARDOUS MATERIALS RELEASE RESPONSE PLAN AND INVENTORY

(A) Prior to the commencement date of service, CITY shall, by ordinance, designate DISTRICT to be the Administering Agency for the Hazardous Materials Release Response Plan and Inventory, California Health and Safety Code Chapter 6.95, Sections 25500 - 25545, hereinafter referred to as "Program." DISTRICT shall be the Administering Agency for the Program during the term of this Agreement.

(B) Upon the commencement date of service, CITY shall notify the State of California Office of Emergency Services of the designation of DISTRICT as the Administering Agency of the Program in the CITY.

(C) DISTRICT shall be authorized to charge and retain all fees collected in the administration of the Program as provided by State law.

SECTION X. ADOPTION OF COUNTY OF LOS ANGELES FIRE CODE

Pursuant to Los Angeles County Fire Code Sections 10000.1 and 10000.2 and Health and Safety Code Section 13869 as may be subsequently amended, upon annexation by the CITY to the DISTRICT, the County of Los Angeles Fire Code, including any subsequent amendments to such, shall be enforced in the CITY by the DISTRICT. By ordinance, CITY shall adopt the County of Los Angeles Fire Code as of the commencement date of service. This ordinance will

adopt all existing CITY amendments to the County of Los Angeles Fire Code as a separate attachment. The DISTRICT will enforce applicable amendments specific to the CITY. Where differences occur between the Los Angeles County Fire Code and the amendments adopted by the CITY, the CITY amendments will take precedence unless an impracticality of enforcement can be demonstrated.

SECTION XI. MODIFICATION OF SCHEDULES

With the exception of Schedule 1, all schedules attached hereto and incorporated herein by reference will be subject to modification by mutual agreement of CITY ADMINISTRATOR and DISTRICT FIRE CHIEF as needed after the date of approval of this Agreement by both parties.

SECTION XII. WITHDRAWAL

(A) In the event CITY withdraws from DISTRICT at any time subsequent to ten (10) years from the commencement date of service per the provision of Section I (C) herein, DISTRICT and CITY agree that:

(1) The leases on all CITY-owned fire stations shall terminate and DISTRICT shall vacate all sites on the effective date of withdrawal, except as provided for in a subsequent written agreement as may be entered into by CITY and DISTRICT.

(2) The lease for CITY'S police communication tower at DISTRICT fire station located at 5112 North Peck Road shall terminate and all improvements placed upon the site by CITY shall be removed immediately, except as provided for in a written agreement as may be entered into by CITY and DISTRICT.

(3) The DISTRICT shall return to CITY fire apparatus vehicles and related fire apparatus equipment of a comparable type, condition, and age as of the commencement date of service in the quantity and type as described on Schedule 4.

(4) The DISTRICT shall return to CITY a Quint of one year or less in age. If the DISTRICT does not have a Quint of that age available at the time of withdrawal, CITY and DISTRICT will mutually agree to the age and type of vehicle to be returned.

(5) The DISTRICT shall return to CITY fire station equipment, furniture, and furnishings of a comparable type and condition as of the commencement date of service which are essential to the operation of the fire stations referred to in Section IV and detailed in Schedule 5.

(6) As to any apparatus, vehicles, equipment, tools, furnishings, or other personal property for which a monetary or in-kind credit was given to the CITY at the time of annexation, the DISTRICT will not be obligated in any manner to have comparable items returned to the CITY at the time of withdrawal.

(B) At the time of withdrawal, DISTRICT and CITY will enter into a separate written agreement to specify the details of withdrawal not addressed in this Agreement.

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IN WITNESS WHEREOF, CITY, by Resolution adopted by its City Council, has caused this Agreement to be executed by its Mayor and attested to by its Clerk; and, pursuant to a motion duly made, seconded, and passed by a majority vote of the Board of Supervisors as governing body of DISTRICT, the Chairman has executed this Agreement on behalf of DISTRICT and which execution has been attested to by its Clerk.

CITY OF EL MONTE

Mayor

City Administrator

ATTEST:

L. Rachel Montes
City Clerk

(SEAL)

APPROVED AS TO FORM:

D. Gordo 8-15-97
City Attorney

CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY

Chairman, Board of Supervisors

ATTEST:

JOANNE STURGES, Executive Officer
Clerk of the Board of Supervisors

Deputy

APPROVED AS TO FORM:

DE WITT W. CLINTON
County Counsel

Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

15 NOV 25 1997

Joanne Sturges

F:ELM:ANNXAGMT.WPD (August 14, 1997)

CITY OF EL MO[illegible]E - DISTRICT ANNEXATION A[illegible]REEMENT

SCHEDULE 1

OPERATION BY DISTRICT
FINAL 1996-97 ANNUAL FEE

STATION	EQUIPMENT	STAFFING	1996-97 SALARY AND EMPLOYEE BENEFITS
City Station 1	Engine	3	$995,640
City Station 2	Quint (2)	4	$1,262,037
	Squad	2	$639,615
City Station 3	Engine	3	$995,640
City Station 4	Engine - 75% (3)	3	$746,730
Total City Post Positions (1)		15	
Area Fire Prevention Inspector		1	$88,789
TOTAL SALARY & EMPLOYEE BENEFITS			$4,728,451
*OVERHEAD @	29.3610%		$1,388,320
TOTAL ANNUAL FEE			$6,116,771
LACERA RETIREMENT & HEALTH INSURANCE SAVINGS			($373,674)
NET ANNUAL PAYMENT			$5,743,097

(1) Constant staffing - number of persons always on duty

(2) A quint (quintuple combination pumper) is a single fire apparatus combining both pumper and ladder truck features.

(3) Recognizing the regional use and value of this engine, the District will fund 25% of its cost.

*District overhead consists of costs of providing service not included in salary and employee benefits of staff designated to provide service. These costs include, but are not limited to, administration, support staff, dispatching, services & supplies, communications, capital equipment replacement, fire station maintenance, and liability coverage.

CITY OF EL MONTE - DISTRICT ANNEXATION AGREEMENT

SCHEDULE 1

OPERATION BY DISTRICT
ESTIMATED 1997-98 ANNUAL FEE

STATION	EQUIPMENT	STAFFING	EST. 1997-98 SALARY AND EMPLOYEE BENEFITS
City Station 1	Engine	3	$1,011,018
City Station 2	Quint (2)	4	$1,283,235
	Squad	2	$653,262
City Station 3	Engine	3	$1,011,018
City Station 4	Engine 75% (3)	3	$758,264
Total City Post Positions (1)		15	
Area Fire Prevention Inspector		1	$89,774
TOTAL SALARY & EMPLOYEE BENEFITS			$4,806,571
*OVERHEAD @	29.2135%		$1,404,167
TOTAL ANNUAL FEE			$6,210,738
LACERA RETIREMENT & HEALTH INSURANCE SAVINGS			($377,697)
NET ANNUAL PAYMENT			$5,833,041

(1) Constant staffing - number of persons always on duty

(2) A quint (quintuple combination pumper) is a single fire apparatus combining both pumper and ladder truck features.

(3) Recognizing the regional use and value of this engine, the District will fund 25% of its cost.

*District overhead consists of costs of providing service not included in salary and employee benefits of staff designated to provide service. These costs include, but are not limited to, administration, support staff, [illegible]

CITY OF L ONTE - DISTRICT ANNEXATION AG. MENT
SCHEDULE 2 - CONVERSION COSTS

Based on 4 Stations, 3 Engines, 1 Quint, 1 Squad
45 (15 Post) Positions, 1 Inspector

Description		Quantity	Unit Cost	Item Total	Total
FACILITIES					
Station 1:	Electrical Modifications			$8,000	
	Miscellaneous Conversions			$2,000	
	ADA Conversions			$30,000	
	Station 1 Total			$40,000	
Station 2-4	Electrical Modifications	3	$8,000	$24,000	
	Miscellaneous Conversions	3	$2,000	$6,000	
	Apparatus Door Reconstruction at Station 2			$58,000	
	Stations 2-4 Total			$88,000	
	Subtotal (all Stations)				$128,000
COMMUNICATIONS					
Station 1	- Meridian telephone system	1	$8,500	$8,500	
Station 2	- Telephones	4	$30	$120	
Station 3	- Telephones	3	$30	$90	
Station 4	- Telephones	3	$30	$90	
Outside call boxes		4	$450	$1,800	
Telephone line installation		10	$70	$700	
SCUs (1 per station)		4	$30,905	$123,620	
Portable VHF Radios (1 per vehicle) with extra battery		5	$2,400	$12,000	
Portable UHF Radios (1 per vehicle) with extra battery		5	$2,400	$12,000	
Battery Charger/Maintenance Center		5	$900	$4,500	
Mobile UHF Radios (1 per vehicle)		5	$2,065	$10,325	
Mobile VHF Radios (1 per vehicle)		5	$1,920	$9,600	
VHF/UHF Chargers (1 per vehicle)		5	$300	$1,500	
MDTs w/ mounting (1 per vehicle)		5	$7,225	$36,125	
Headset Intercom		3	$1,950	$5,850	
Miscellaneous Hardware/Cables		5	$300	$1,500	
Installation Cost Per Vehicle		5	$3,000	$15,000	
	Subtotal				$243,320
VEHICLES					
Class A Foam Units		3	$12,000	$36,000	
Conversion Hours:	Pumpers (100 hours each)	300 hrs	$39.83	$11,949	
	Others (5 hours each)	5 hrs	$39.83	$199	
Preventive Maintenance &					
Safety Inspections:	Pumpers (10 hours each)	30 hrs	$39.83	$1,195	
	Others (8 hours each)	8 hrs	$39.83	$319	
[illegible]			037,000	$37,000	

CITY OF EL MONTE - CONVE[illegible] COSTS - SCHEDULE 2
Based on 4 Stations, 3 Engines, 1 Quint, 1 Squad
45 (15 Post) Positions, 1 Inspector

Description	Quantity	Unit Cost	Item total	Total
FIRE PREVENTION				
File Conversion Hours				
1 Supervising Haz Mat Specialist	30 hrs	$59	$1,770	
3 Haz Mat Specialist II	90 hrs	$55	$4,950	
3 Intermediate Typist Clerks	90 hrs	$20	$1,800	
1 Data Entry Operator	30 hrs	$24	$720	
Subtotal				$9,240
COMPUTER SYSTEMS				
Personal Computer	4	$2,700	$10,800	
Printer	4	$400	$1,600	
Modem	4	$500	$2,000	
Software	4	$400	$1,600	
Fire Prevention System	1	$4,225	$4,225	
Subtotal				$20,225
FIRE EQUIPMENT				
Dual Carrier Fittings	3	$2,000	$6,000	
Wooden Ladder Complement	3	$4,848	$14,544	
Wildland Fittings & Safety Gear-web gear	3	$1,000	$3,000	
Hydro Assist Valve 4"	3	$850	$2,550	
Keystone Valves	6	$635	$3,810	
Drop Bags (3 per engines, 2 per squad)	11	$75	$825	
5-Gallon Water Coolers	3	$20	$60	
Pick Headed Axes w/belts (2 per engine)	6	$60	$360	
Big Beam Flashlights (2 per engine)	6	$35	$210	
2-1/2" D Handle Shutoffs (4 per engine)	12	$396	$4,752	
Thomas Bros. Map Book	4	$10	$40	
Surviviar Mark II (4 per engine, 3 per squad)	15	$1,400	$21,000	
Mark II 4.5 Bottles (8 per engine, 6 per squad)	30	$400	$12,000	
PAL II Personnel Alert Devices (4 per engine, 3 per squad)	15	$87	$1,305	
2-1/2-Gallon Water Extinguisher	3	$75	$225	
F.D. Keys (sets)	5	$10	$50	
Bypass/Soft Suction Hose	3	$868	$2,604	
Water Eductor	3	$350	$1,050	
Stack Tip Nozzles	3	$360	$1,080	
Rescue Rope & Bag	3	$150	$450	
Quint Equipment	1	$70,000	$70,000	
Subtotal				$145,915
PERSONAL SAFETY EQUIPMENT				
Pelican Flashlight	45	$13	$585	
Vest (body armor)	25	$220	$5,500	
[illegible]	[illegible]	$95	$1,1[illegible]	
[illegible]		[illegible]	[illegible]	
Wildl[illegible] Safety Clothing	45	$1[illegible]	[illegible],975	
				$15,145

CITY OF EL MONTE - CONVE[illegible]ON COSTS - SCHEDULE 2
Based on 4 Stations, 3 Engines, 1 Quint, 1 Squad
45 (15 Post) Positions, 1 Inspector

Description		Quantity	Unit Cost	Item total	Total
MEDICAL EQUIPMENT					
Suction Unit		1	$500	$500	
Hand-held radio		1	$2,500	$2,500	
Subtotal					$3,000
TRAINING					
POST Training - OT (5 days):	FFPM	3	$790.08 *	$11,851	
* Shift rate at time and one-half.	FF	4	$670.50 *	$13,410	
	FFS	4	$799.50 *	$15,990	
	CAP	4	$945.00 *	$18,900	
2 Shift Training Instructors for 21, 8-hour days		336 hrs	$71.00	$23,856	
Captain Mentoring-120 hours/40-hours per shift		120 hrs	$71.00	$8,520	
Subtotal					$92,527
			TOTAL CONVERSION COSTS		$744,034

DEFERRED MAINTENANCE
TO BE COMPLETED JUST PRIOR TO THE COMMENCEMENT DATE OF SERVICE

EQUIPMENT LEASE/PURCHASE

Quint Apparatus - Lease/Purchase Option	7 years	$90,000 /year	
		ESTIMATED TOTAL 7-YEAR QUINT LEASE/PURCHASE	$630,000

(TO BE COMPLETED ON OR ABOUT THE COMMENCEMENT DATE OF SERVICE)

APPROVED:

P. MICHAEL FREEMAN
FIRE CHIEF

DATE

GREGORY KORDUNER
CITY ADMINISTRATOR

DATE

CITY OF EL MONTE - DISTRICT ANNEXATION AGREEMENT

SCHEDULE 3

FIRE STATIONS TO BE OCCUPIED

CITY OWNED FIRE STATIONS TO BE LEASED TO DISTRICT

Fire Station 1	3615 Santa Anita Avenue
Fire Station 2	11567 Bryant Road
Fire Station 3	3207 Cogswell Road

DISTRICT OWNED FIRE STATION PREVIOUSLY LEASED TO, AND OCCUPIED BY CITY

Fire Station 4	5112 Peck Road

APPROVED:

P. MICHAEL FREEMAN FIRE CHIEF	GREGORY KORDUNER CITY ADMINISTRATOR
DATE	DATE

F:ELM:SCHED-3

CITY OF EL MONTE - DISTRICT ANNEXATION AGREEMENT

SCHEDULE 4

VEHICLES, FIRE APPARATUS, AND RELATED EQUIPMENT

A. Vehicles (Automobiles)

C23	Chevy 1991	Sedan	Lic.331699	VIN 1G1BL5370MW215735
U22	Chevy 1991	Pick-up	Lic. 331650	VIN 1GCDC14K9MZ123078

B. Fire Apparatus

E21	Pierce 1990	Pumper	Lic.331658	VIN 4P1CA02H7LA000791
E22	Pierce 1994	Pumper	Lic. 19417	VIN 4P1CT02E2RA000691
E23	Pierce 1990	Pumper	Lic. 331659	VIN 4P1CA02H8LA000802
E24	Pierce 1986	Pumper	Lic. 75177	VIN 1P9CA01K2GA040455
S 22	Nissan 1992	Support	Lic. 380396	VIN JNALG08J1NGN65252

C. Related Fire Equipment

(TO BE COMPLETED ON OR ABOUT COMMENCEMENT DATE OF SERVICE)

APPROVED:

P. MICHAEL FREEMAN FIRE CHIEF	GREGORY KORDUNER CITY ADMINISTRATOR
DATE	DATE

CITY OF EL MONTE - DISTRICT ANNEXATION AGREEMENT

SCHEDULE 5

FIRE STATIONS EQUIPMENT, FURNITURE, AND FURNISHINGS

Specific items to be excluded from transfer to District are as follows:

Portable radio console and all portable radios
Radio scanner
All City computers and related equipment (excluding furniture)

(TO BE COMPLETED ON OR ABOUT COMMENCEMENT DATE OF SERVICE)

APPROVED:

P. MICHAEL FREEMAN FIRE CHIEF	GREGORY KORDUNER CITY ADMINISTRATOR
DATE	DATE

CITY OF EL MONTE--DISTRICT ANNEXATION AGREEMENT

SCHEDULE 6

SWORN PERSONNEL, RANKS, SALARIES

RANK IN CITY	TRANSFER RANK	CITY CONTINUOUS SVC. DATE	CITY SALARY	DISTRICT SALARY	SALARY SCHEDULE/ STEP

(TO BE COMPLETED ON OR ABOUT COMMENCEMENT DATE OF SERVICE)

MI AEL FREEMAN
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GREGORY KORDUNER
CITY ADMINISTRATOR

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DATE

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CITY OF EL MONTE-DISTRICT ANNEXATION AGREEMENT

SCHEDULE 7

SWORN PERSONNEL -
VACATION HOURS TO BE TRANSFERRED FROM CITY TO DISTRICT

NAME	CITY SALARY	VACATION HOURS TRANSFERRED	REIMBURSEMENT TO DISTRICT

(TO BE COMPLETED ON OR ABOUT COMMENCEMENT DATE OF SERVICE)

APPROVED:

P. MICHAEL FREEMAN FIRE CHIEF	GREGORY KORDUNER CITY ADMINISTRATOR
DATE	DATE

CITY OF EL MONTE-DISTRICT ANNEXATION AGREEMENT

SCHEDULE 8

SWORN PERSONNEL -
SICK HOURS TO BE TRANSFERRED FROM CITY TO DISTRICT

NAME	CITY SALARY	SICK HOURS TRANSFERRED	REIMBURSEMENT TO DISTRICT

(TO BE COMPLETED ON OR ABOUT COMMENCEMENT DATE OF SERVICE)

APPROVED:

P. MICHAEL FREEMAN
FIRE CHIEF

DATE

GREGORY KORDUNER
CITY ADMINISTRATOR

DATE

CITY OF EL MONTE--DISTRICT ANNEXATION AGREEMENT

SCHEDULE 9

NON-SWORN PERSONNEL, POSITIONS, SALARIES

POSITION IN CITY	TRANSFER POSITION	CITY CONTINUOUS SVC. DATE	CITY SALARY	DISTRICT SALARY	SALARY SCHEDULE/ STEP

(TO BE COMPLETED ON OR ABOUT COMMENCEMENT DATE OF SERVICE)

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P. MICHAEL FREEMAN
F. E C. EF

GREGORY KORDUNER
CITY ADMINISTRATOR

257

DATE

DATE

CITY OF EL MONTE-DISTRICT ANNEXATION AGREEMENT

SCHEDULE 10

NON-SWORN PERSONNEL -
VACATION HOURS TO BE TRANSFERRED FROM CITY TO DISTRICT

NAME	CITY SALARY	VACATION HOURS TRANSFERRED	REIMBURSEMENT TO DISTRICT

(TO BE COMPLETED ON OR ABOUT COMMENCEMENT DATE OF SERVICE)

APPROVED:

P. MICHAEL FREEMAN
FIRE CHIEF

DATE

GREGORY KORDUNER
CITY ADMINISTRATOR

DATE

CITY OF EL MONTE - DISTRICT ANNEXATION AGREEMENT

SCHEDULE 11

NON-SWORN PERSONNEL -
SICK HOURS TO BE TRANSFERRED FROM CITY TO DISTRICT

NAME	CITY SALARY	SICK HOURS TRANSFERRED	REIMBURSEMENT TO DISTRICT

(TO BE COMPLETED ON OR ABOUT COMMENCEMENT DATE OF SERVICE)

APPROVED:

P. MICHAEL FREEMAN FIRE CHIEF	GREGORY KORDUNER CITY ADMINISTRATOR
DATE	DATE

CITY OF EL MONTE – DISTRICT ANNEXATION AGREEMENT

SCHEDULE 12

MEMORANDUM OF UNDERSTANDING

FUEL REIMBURSEMENT

(TO BE COMPLETED ON OR ABOUT COMMENCEMENT DATE OF SERVICE)

At any time during the course of this Agreement, the City Administrator and Fire Chief may amend this schedule.

APPROVED:

P. MICHAEL FREEMAN FIRE CHIEF	GREGORY KORDUNER CITY ADMINISTRATOR
DATE	DATE

RESOLUTION NO. 7821

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL MONTE IMPLEMENTING THE "AGREEMENT FOR SERVICES" BY AND BETWEEN THE CITY AND THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY.

THE CITY COUNCIL OF THE CITY OF EL MONTE DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The City Council of the City of El Monte ("City") does hereby find, determine and declare, as follows:

(a) That all of the territory included within the boundaries of the City has been annexed to the Consolidated Fire Protection District of Los Angeles County, a fire protection district ("District"); and

(b) That representatives of City and District have heretofore negotiated the terms of an agreement entitled, "AGREEMENT FOR SERVICES BY AND BETWEEN THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY AND THE CITY OF EL MONTE" ("Agreement"); and

(c) The effective date of the Agreement is November 25, 1997; and

(d) That pursuant to the said annexation and the execution of the Agreement, the District will provide City with fire protection, hazardous materials, emergency medical and all related services ("Fire Services") as authorized by applicable provisions of the Government Code of the State of California and other applicable laws; and

(e) That the purpose of the Agreement is to implement and provide for the provision of such Fire Services to all properties included within the boundaries of the City; and

(f) That the City Council has determined that the public interest, convenience and necessity require the adoption and implementation of this Resolution.

SECTION 2. The City Administrator is hereby designated as the City's representative for the purpose of administration of the Agreement. The City Administrator, in addition to all other tasks required of him pursuant to the terms of the Agreement and direction of this City Council, shall:

(a) cause a review to be made to determine whether provisions of the El Monte Municipal Code and/or other administrative regulations of the City need to be amended or revised so as to permit the rendition of Fire Services by District in accordance with said Municipal Code and/or administrative regulations; and

(b) take such steps as may be reasonably required to assist District in obtaining an adequate water fire flow for District purposes within the City; and

(c) negotiate with representatives of the District in order to recommend to the City Council the amount of the initial Annual Fee to be paid by City to District as and for the said Fire Services in accordance with the provisions of the Agreement; and

(d) cause payments to be paid of the Annual Fees in the installments as required by the Agreement once the initial Annual Fee has been established and approved by the City Council; and

(e) establish budget accounts for the payment of said Annual Fees, including, an appropriation and payment from funds received by the City as and for voter approved property taxes levies for retirement purposes; and

(f) review and certify to the accuracy of all of the schedules which are attached to the Agreement including, but not limited to, those which deal with the transfer of equipment and employees to the District; and

(g) review, with representatives of the District, the four (4) fire stations to be leased by the District so as to reach agreement with District representatives as to the condition of each of the buildings and structures at the three locations; and

(h) transfer to the District certified duplicate personnel files for each City employee being transfer to the District; and

(i) review all invoices received from the District to verify the accuracy thereof and to ensure their payment from the proper budgeted accounts; and

(j) during the term of the Agreement annually recommend to the City Council whether a review of any of the terms and conditions of the Agreement should be initiated as provided in the said Agreement; and

(k) execute on behalf of the City leases to District of the four (4) existing Fire Station sites; and

(l) take such other actions as are reasonably necessary and required to administer the said Agreement.

SECTION 3. That the City Attorney is hereby instructed to validate the Agreement and this Resolution in a proceeding filed pursuant to Section 860 et seq., of the Code of Civil Procedure.

SECTION 4. The City Clerk shall certify the adoption of this Resolution and forward a certified copy to the City Administrator and to the City Attorney.

PASSED, APPROVED AND ADOPTED this 16th day of December, 1997.

Patricia A. Wallach
Mayor of the City of El Monte

ATTEST:

L. Rachel Montes
City Clerk of the City of El Monte

I, Rachel L. Montes, City Clerk of the City of El Monte, hereby certify that the foregoing Resolution No. 7821 was passed and adopted by the City Council of the City of El Monte, signed by the Mayor and attested to by the City Clerk at a adjourned regular meeting of said Council held on the 16th day of December, 1997, and that said Resolution was adopted by the following vote, to wit:

AYES: Mayor Wallach, Councilmembers Barrios, Fellow and Jimenez

NOES: Councilmember Thurston

ABSENT: NONE

L. Rachel Montes
City Clerk of the City of El Monte

RESOLUTION NO. 7790

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL MONTE, CALIFORNIA, APPROVING THE AGREEMENT FOR SERVICES BY AND BETWEEN THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY AND THE CITY OF EL MONTE TO BE EFFECTIVE ON THE DATE OF APPROVAL BY THE BOARD OF SUPERVISORS OF LOS ANGELES COUNTY AND REQUESTING THE BOARD OF SUPERVISORS OF LOS ANGELES COUNTY TO SUBMIT AN APPLICATION TO THE LOCAL AREA FORMATION COMMISSION FOR THE ANNEXATION OF THE CITY OF EL MONTE TO THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY

WHEREAS, on September 26, 1995, the City Council of the City of El Monte (the "City") initiated a study for the reorganization or consolidation of the fire protection and emergency services response functions of the El Monte Fire Department with the Consolidated Fire Protection District of Los Angeles County (the "District"); and

WHEREAS, the City has conducted several community and other public meetings for the purpose of evaluating the written proposal dated July 26, 1996, submitted to the City by the District, entitled "Proposal for the Consolidated Fire Protection District of Los Angeles County to Provide Fire Protection, Hazardous Materials, and Emergency Medical Services for the City of El Monte," and the City has received input from all interested persons relating thereto; and

WHEREAS, in October, 1996, the El Monte City Council appointed a special committee consisting of two of its members to conduct a further study of the fire protection and emergency service consolidation proposal of the District, and to submit a recommendation to the El Monte City Council thereon; and

WHEREAS, the special committee has submitted its report dated April 8, 1997 on the El Monte Fire Department consolidation proposal of the District to the El Monte City Council on April 8, 1997; and

WHEREAS, on April 8, 1997, four (4) members of the El Monte City Council voted to accept and approve the July 26, 1996 proposal of the District and the El Monte City Council directed City staff to submit the form of the Agreement for fire protection and emergency services by and between the District and the City (the "Agreement") for ratification and approval by the El Monte City Council; and

WHEREAS, the City Council has adopted its Ordinance No. 2459, dated April 22, 1997, entitled:

> An Ordinance of The City Council of The City of El Monte, California, Ordering The Initiation and Prompt Completion of Proceedings for the Annexation of The City of El Monte Into The Los Angeles County Consolidated Fire Protection District and Amending The El Monte Municipal Code by Adding Part 3.3 to Chapter 6 of Article II (Fire Protection Services);

and

WHEREAS, the Agreement, as attached to this Resolution as Exhibit "A" and incorporated herein by this reference, implements City Council Ordinance No. 2459; and

WHEREAS, upon the completion of the indicated annexation proceedings and the commencement by the District of the delivery of the fire protection and emergency services pursuant to the Agreement, the local fire protection and emergency services described in the Agreement shall be provided within the territorial jurisdiction of the City by the District;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EL MONTE, CALIFORNIA, DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. The City Council hereby approves the Agreement in the form as presented to the El Monte City Council at the meeting at which this Resolution is adopted. The Agreement is attached to this Resolution as Exhibit "A".

SECTION 2. The Mayor, City Clerk, and City Administrator are hereby authorized and directed to execute the Agreement on behalf of the City, together with such technical and conforming editorial changes to the text of the Agreement that may be recommended by the City Administrator. The City Administrator is further authorized and directed to acknowledge the acceptance on behalf of the City of the final form of each of the "Schedules" attached to the Agreement (Schedule 1 through Schedule 8, inclusive), at such time as the District Fire Chief and the City Administrator have completed and confirmed the accuracy of the information included in each such schedule as contemplated under the terms and conditions of the Agreement.

SECTION 3. The City Council hereby requests that the Board of Supervisors of Los Angeles County approve the Agreement on behalf of the District and that the District commence to provide the services, as more fully described in the Agreement, within the City at the earliest feasible date. The Board of Supervisors is further requested to initiate and complete the indicated annexation proceedings relating to the Agreement with the Local Area Formation Commission.

SECTION 4. The City Council hereby declares that the effective date of the Agreement shall be the date on which the Agreement is approved by the Board of Supervisors and that the commencement date for the services described in the Agreement shall be established by the District Fire Chief pursuant to the applicable terms of the Agreement.

SECTION 5. This Resolution shall take effect upon adoption. The City Clerk shall certify to the passage and adoption of this Resolution.

Passed, approved and adopted this 12th day of August, 1997.

Mayor of the City of El Monte

ATTEST:

City Clerk of the City of El Monte

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF EL MONTE)

I, L. RACHEL MONTES, City Clerk of the City of El Monte, hereby certify that the foregoing Resolution No. 7790 was passed and adopted by the City Council, signed by the Mayor and attested to by the City Clerk at a regular meeting of said City Council held on the 12th day of August, 1997, and that said Resolution was adopted by the following vote, to-wit:

AYES: Mayor Wallach, Councilmembers Barrios, Fellow and Jimenez

NOES: Councilmember Thurston

ABSENT: None

City Clerk of the City of El Monte

CITY OF EL MONTE
RESTATED AMENDMENT NO. 1 TO THE
1996 MOU
(Firefighters Local 1014)

THIS RESTATED AMENDMENT NO. 1 to the 1996 MOU (herein "Restated Amendment No. 1") is dated as of July 24 1997, by and between Firefighters Local 1014/AFL-CIO (herein "Firefighters") and the City of El Monte (the "City") and is entered into in light of the following facts:

-- RECITALS --

The City Council has initiated certain proceedings pursuant to its Ordinance No. 2459, which are expected to result in the transfer of local fire protection and emergency services described in the Fire Protection District Consolidation Study Proposal, dated July 26, 1996, from the City to the Consolidation Fire Protection District of Los Angeles County (the "Fire Protection District") by a date no later than December 31, 1997; and

Upon the completion of the annexation proceedings initiated by Ordinance No. 2459, the position of each employee member of Firefighters (herein individually referred to as a "firefighter") shall be abolished as a City employment function in accordance with El Monte Municipal Code Section 2322; provided however, that the Fire Protection District has first agreed to accept Firefighters as new fire safety employees of the Fire Protection District as authorized by Government Code Section 53292; and

The parties to this Restated Amendment No. 1 have previously entered into a Memorandum of Understanding, approved on September 10, 1996 (the "1996 MOU") as amended by Amendment No. 1 to the 1996 MOU, dated May __, 1997; and

The parties intend by the final approval and execution of this Restated Amendment No. 1 to implement certain administrative adjustments to the "vacation time" benefits of Firefighters who become fire safety employees of the Fire Protection District as provided in Amendment No. 1 to the 1996 MOU which are consistent with the personnel policies of the Fire Protection District and the completion of the municipal services reorganization and annexation proceedings initiated by Ordinance No. 2459 and the matters embraced herein.

THE PARTIES HEREBY AGREE AS FOLLOWS:

SECTION 1. Text of 1996 MOU Incorporated By Reference. The text of the 1996 MOU is incorporated into this Restated Amendment No. 1 by this reference. The specially defined terms and phrases as used in the 1996 MOU shall have the same meaning when used in this Restated Amendment No. 1, unless the particular context of usage of a specially defined term in this Restated Amendment No. 1 may otherwise require.

SECTION 2. The text of Amendment No. 1 to the 1996 MOU is hereby superseded by the administrative adjustment included in this Restated Amendment No. 1 relating to "vacation time" and certain other minor conforming editorial changes to the text of Amendment No. 1 to the 1996 MOU. As modified, the provisions of Section 2 through Section 14 of Amendment No. 1 to the 1996 MOU are presented in Section 3 through Section 15 of this Restated Amendment No. 1.

SECTION 3. Special Definitions for Text of Restated Amendment No. 1.

The following words and phrases shall have the meaning ascribed to them in this Section 3 for the purpose of implementing Restated Amendment No. 1:

City Sick Leave Time. The words "City Sick Leave Time" refer to the number of hours of accrued and unused sick leave as set forth at Part V, Section 3 of the 1996 MOU which each firefighter may have accumulated as of the Termination Date (after transfer and credit to the Fire Protection District Sick Leave account of the firefighter under Section 4) which shall be payable in installments by the City at the times set forth in Section 9 pursuant to the reimbursement formula as more fully set forth in Section 5.

City Holiday Time. The words "City Holiday Time" refer to the number of hours of accrued and unused holiday time as set forth in Part V, Section 1 of the 1996 MOU which each firefighter may have accumulated as of the Termination Date which shall be payable in installments by the City at the times set forth in Section 9.

City Vacation Leave Time. The words "City Vacation Leave Time" refer to the number of hours of accrued and unused vacation time as set forth at Part V, Section 2 of the 1996 MOU which each firefighter may have accumulated as of the Termination Date (after transfer and credit to the account of the Fire Protection District Vacation Leave account of the firefighter under Section 4) which shall be payable by the City in installment at the times set forth in Section 9.

Supplemental City Sick Leave Time. The words "Supplemental City Sick Leave Time" refer to the number of hours of accrued and unused sick leave as set forth at Part V, Section 3 of the 1996 MOU in excess of a minimum of One Hundred and Forty-Four (144) hours which certain firefighters may have accumulated as of the Termination Date which shall be payable by the City as provided in Section 8.

Fire Protection District Sick Leave. The words "Fire Protection District Sick Leave" refer to the number of hours of sick leave which each former firefighter shall be entitled to claim as a benefit of employment as a fire safety employee of the Fire Protection District commencing on the Termination Date.

Fire Protection District Vacation Leave. The words "Fire Protection District Vacation Leave" refer to the number of hours of vacation leave which each former firefighter shall

be entitled to claim as a benefit of employment as a fire safety employee of the Fire Protection District commencing on the Termination Date.

Termination Date. The words "Termination Date" refer to the time and date on which each firefighter position is abolished as the result of the completion of the annexation proceedings initiated by City Ordinance No. 2459 and the Fire Protection District commences the performance of fire protection services within the territorial jurisdiction of the City pursuant to the contract referenced in City Ordinance No. 2459.

SECTION 4. **Fire Protection District Sick Leave and Fire Protection District Vacation Leave.**

Upon becoming a fire safety employee of the Fire Protection District, each former firefighter shall commence to accrue Fire Protection District benefits for sick time and vacation time in accordance with the personnel rules and regulations of the Fire Protection District.

By no later than the Termination Date, the City shall have completed the appropriate contract arrangements with the Fire Protection District pursuant to Government Code Section 56848.3, such that each former firefighter who is selected and becomes a fire safety employee of the Fire Protection District, may commence work as a fire safety employee of the Fire Protection District with a fully accrued Fire Protection District Sick Leave benefit credit of up to not more than One Hundred Forty-Four (144) hours. This benefit credit of up to One Hundred Forty-Four (144) hours of Fire Protection District Sick Leave shall be transferred by the City from the former firefighter's available and unused City sick time account on the Termination Date pursuant to the terms of the contract between the Fire Protection District and the City.

By no later than the Termination Date, the City shall have completed the appropriate contract arrangements with the Fire Protection District pursuant to Government Code Section 56848.3, such that each former firefighter who is selected and becomes a fire safety employee of the Fire Protection District, may commence work as a fire safety employee of the Fire Protection District with a fully accrued Fire Protection District Vacation Leave benefit credit of up to not more than Two Hundred ~~Ten~~ (~~210~~) hours. This benefit credit of up to Two Hundred Ten (210) hours of Fire Protection District Vacation Leave shall be transferred by the City from the former firefighter's available and unused City vacation time account on the Termination Date pursuant to the terms of the contract between the Fire Protection District and the City.

SECTION 5. **City Sick Leave Time Pay-Off**.

Each firefighter shall receive certain payments from the City at the times provided in Section 9, which correspond to a cash reimbursement for City Sick Leave Time allocated to each firefighter by the City Payroll Technician on the Termination Date in accordance with the following formula:

(Total hours of accrued and unused City sick leave time on the Termination Date) - (minus) (up to a maximum of 144 hours of sick leave time transferred to Fire Protection District at the sole cost of the City under Section 4)	= Balance of City accrued and unused sick leave time subject to pay-off under Section 5 (divided by) 2

provided however, that maximum number of hours of the balance of City Sick Leave Time payable to each former firefighter by the City in accordance with the formula in this Section 5 shall not exceed Nine Hundred (900) hours of time.

SECTION 6. **City Vacation Leave Time Pay-Off**

Each firefighter who has a remaining balance of City Vacation Leave Time shall receive certain payments from the City at the times provided in Section 9, which correspond to a cash reimbursement for the remaining balance of City Vacation Leave Time allocated to each firefighter by the City Payroll Technician which was not transferred as a benefit credit by the City to the Fire Protection District on the Termination Date.

SECTION 7. **City Holiday Time Pay-Off**

Each firefighter shall receive certain payments from the City at the times provided in Section 9, which correspond to a cash reimbursement for City Holiday Time for calendar year 1997 allocated to each firefighter by the City Payroll Technician on the Termination Date which the firefighter may not have used for any reason before the Termination Date. To the extent that this Section 7 may be inconsistent with the applicable provisions of the 1996 MOU, this Section 7 shall govern the accrual and pay-off of any unused City Holiday Time for calendar year 1997 as of the Termination Date.

SECTION 8. **Supplemental City Sick Leave Time.**

A. In addition to the cash reimbursement payable by the City for City Sick Leave Time allocated to each firefighter by the City Payroll Technician on the Termination Date in accordance with the formula set forth in Section 5, certain other amounts of Supplemental City Sick Leave Time may be payable by the City to a former firefighter in accordance with the formula set forth in Section 8.B, below, subject to the following conditions:

(a) on the Termination Date, the firefighter shall have a total of not less than 144 hours of accrued and unused City sick leave benefit time available; and

(b) concurrently, on the Termination Date the firefighter elects and is selected and becomes a fire safety employee of the Fire Protection District; and

(c) after the Termination Date, the firefighter suffers from a catastrophic health condition or injury which is expected to require an absence from work as a fire safety employee of the Fire Protection District of not less than thirty (30) consecutive calendar days and such catastrophic health condition did not occur or arise out of the course of employment with the City; and

(d) the catastrophic health condition described in subparagraph (c) above occurs before the fifth (5th) anniversary after the Termination Date; and

(e) as a consequence of the occurrence of the catastrophic health condition described in subparagraph (c), above, the firefighter has lowered all accrued and available employee benefit leave accounts as a fire safety employee of the Fire Protection District to zero (0) hours; and

(f) the firefighter has submitted an appropriately detailed written request to the City Personnel Officer to commence payment of the available Supplemental City Sick Leave Time (as allocated by the City Payroll Technician to the former firefighter on the Termination Date) by a date not later than ninety (90) days after the fifth (5th) anniversary of the Termination Date. The written request shall be accompanied by a written verification of a treating physician which describes the nature, expected duration and prognosis of the catastrophic health condition or injury together with a written verification by an appropriate officer of the Fire Protection District which confirms that the firefighter has lowered all accrued leave accounts of the Fire Protection District to zero (0) hours. The written request shall also indicate the number of hours of Supplemental City Sick Leave Time claimed (not to exceed 243.3 hours per month) based upon the treating physician's verification that the former firefighter cannot be released to return to work with the Fire Protection District within the period of time claimed. In the event that such a catastrophic health condition may continue, the former firefighter may submit additional written requests for payment to the City Personnel Officer every thirty (30) days thereafter until the Supplemental City Sick Leave Time account available to the former firefighter is exhausted.

B. Supplemental City Sick Leave Time authorized by this Section 8 shall be payable by the City to an eligible former firefighter in equal monthly installments of up to Two Hundred Forty-Three and Three-Tenths (243.3) hours of time per month until the Supplemental City Sick Leave Time account of the former firefighter is exhausted; provided however, that the aggregate amount of payments of Supplemental City Sick Leave Time to a former firefighter shall not exceed the aggregate amount of the sum payable by the City to the former firefighter as City Sick Leave Time under Section 5, above. Each payment of an installment of Supplemental City Sick

Leave Time shall be made by the City within thirty (30) days following the receipt and approval by the City Personnel Office of the completed request described in Section 8.A(f).

The written notice described in Section 10, below, shall include a separate calculation which shows the total number of hours potentially available to each former firefighter of Supplemental City Sick Leave Time, if any, on the Termination Date and the value per hour of such time.

SECTION 9. Schedule of Payments by the City.

The amounts payable by the City to each former firefighter under Section 5, Section 6 and Section 7, above, shall be aggregated, and except as provided in Section 11, the aggregate balance shall be paid to the order and account of each former firefighter in up to ten (10) equal installments as follows:

(a) the first installment shall be due and payable within thirty (30) days of the Termination Date;

(b) the next up to nine (9) installments shall be payable on the July 1 next following the Termination Date and on each July 1, thereafter until the remaining balance is paid in full or such earlier date as provided in subsection (c), below;

(c) the remaining aggregate balance of the amounts payable under Section 5, Section 6 and Section 7, above, shall be immediately due and payable by the City to the former firefighter upon the occurrence of either of the following events:

(i) the date of service or disability retirement of the firefighter as a fire safety employee of the Fire Protection District or upon the death of the firefighter; or

(ii) the date on which the remaining aggregate balance payable by the City to the former firefighter under Section 5, Section 6 and Section 7 is less than Two Thousand Dollars ($2,000.00).

Each installment of the amounts payable by the City under Section 5, Section 6 and Section 7 shall be paid by check and sent by mail to the address of the former firefighter provided to the City in Section 10.

SECTION 10. Notice of Aggregate Balance of Payments and Change of Address.

Within ten (10) days after the Termination Date, the City shall transmit a written notice to each former firefighter which provides an appropriately detailed accounting of the number of hours and cash payment value due and payable by the City under the terms of Section 5, Section 6, Section 7 and Section 8, above (taking into consideration for each firefighter for the purpose

of such accounting the individual job classification and rate of pay, step, bonus, etc., as applicable on the Termination Date under Article II of the 1996 MOU). Any correction to the final payroll information contained in such a written notice shall be brought to the attention of the City by the former firefighter within thirty (30) days following the date of transmittal of the notice by the City.

The written notice shall be sent by the City to the mailing address of the former firefighter which is part of the personnel records of the City on the Termination Date. After the Termination Date, a former firefighter may change the address to which the City shall send the payments described in this Restated Amendment No. 1 by certified mail by notifying the following person in writing:

City of El Monte Payroll Technician
City of El Monte Finance Department
City Hall - East
11333 Valley Boulevard
El Monte, California 91731
(626) 580-2027

The City Payroll Technician shall maintain and periodically update a record and accounting of the sums payable to former fire fighters hereunder.

SECTION 11. **Service Retirement of A Firefighter On or Before Termination Date.**

Notwithstanding any other provision of this Restated Amendment No. 1 to the contrary, each firefighter who receives a service or disability retirement from the City which is effective on or prior to the Termination Date shall receive retirement benefits and privilege in accordance with the governing 1996 MOU.

SECTION 12. **On the Termination Date, Each Firefighter Shall Cease To Be An Employee of the City.**

On the Termination Date, each member of the Firefighters shall cease to be an employee of the City and thereafter no further right, benefit or privilege shall accrue to any former firefighter under the 1996 MOU or any other City rule, regulation, ordinance or resolution. From and after the Termination Date, each former firefighter shall receive from the City only those amounts of compensation for accrued but unused and/or unpaid employee benefit leave time through the Termination Date as provided in this Restated Amendment No. 1.

SECTION 13. **Acknowledgment By Firefighters Relating To Pending Consolidation Proceedings.**

Firefighters acknowledge and agree that separate approval by the represented bargaining unit of the fire safety employees of the Fire Protection District under Government Code Section

53292 of the terms and conditions on which each member of the Firefighters may become a fire safety employee of the Fire Protection District, is a matter which may be subject to the collective labor bargaining arrangements and the personnel rules and regulations of the Fire Protection District.

SECTION 14. Indemnification

Firefighters shall indemnify the City and hold it harmless against any and all claims, demands, suits and other forms of liability asserted against the City by a former firefighter that may arise out of, or by reason of, any action taken by the City for the purpose of complying with the provisions of this Restated Amendment No. 1.

SECTION 15. Entire Agreement Included in This Restated Amendment No. 1

The parties hereto acknowledge that during the negotiations which resulted in this Restated Amendment No. 1, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Restated Amendment No. 1. Therefore, Firefighters and the City for the duration of this Restated Amendment No. 1, each voluntarily and unqualifiedly waives the right, and each agrees the other shall not be obligated to bargain collectively with respect to any subject matter not specifically referred to, or covered in this Restated Amendment No. 1, even though such subjects or matters may not have been within the knowledge or contemplation of either or both of the parties at the time they negotiated this Restated Amendment No. 1. This Restated Amendment No. 1 may only be amended during its term by the parties' mutual agreement in writing.

This Restated Amendment No. 1 supersedes and cancels Amendment No. 1 to the 1996 MOU and all other prior practices and agreements whether written or oral, unless expressly stated to the contrary herein and this Restated Amendment No. 1 constitutes the complete and entire amendment to the 1996 MOU between the parties, and concludes collective bargaining for its term.

AGREED AND APPROVED

FIREFIGHTERS
El Monte Firefighters
Local 1014

Dated: 7/6/97 By _____

By _____

CITY
City of El Monte

Dated: 4-12-97 By _____
Mayor

By _____
City Clerk

By _____
City Administrator

RESOLUTION NO. 7791

JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES AND THE CITY COUNCIL OF THE CITY OF EL MONTE APPROVING AND ACCEPTING EXCHANGE OF PROPERTY TAX REVENUES RESULTING FROM ANNEXATION NO. 97-2 TO THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY, SAN GABRIEL VALLEY PARCEL NO. 97-2, IN THE CITY OF EL MONTE.

WHEREAS, pursuant to Section 99 of the Revenue and Taxation Code, prior to the effective date of any jurisdictional change, the governing bodies of all agencies whose service areas or service responsibilities would be altered by such change must determine the amount of property tax revenue to be exchanged between the affected agencies and approve and accept the exchange of property tax revenues by Resolution, but if the affected agency is a special district, the Board of Supervisors must negotiate on behalf of the district; and

WHEREAS, the annexation and inclusion of the City of El Monte to the Consolidated Fire Protection District of Los Angeles County (District) affects only the District and the City of El Monte; and

WHEREAS, this Resolution pertains only to the annexation and inclusion of those areas of the City of El Monte that are not now in the District; and

WHEREAS, the Board of Supervisors of the County of Los Angeles as the governing body of the District, and the City Council of the City of El Monte, have determined that the amount of property tax revenue to be exchanged as a result of the annexation of the City of El Monte to the District is as set forth below.

NOW, THEREFORE, IT IS HEREBY RESOLVED as follows:

1. The negotiated exchange of property tax revenues resulting from the annexation of the City of El Monte to the District is approved and accepted.

2. For fiscal years commencing after the effective date of this jurisdictional change, no property tax revenue is ordered transferred to the District from the County of Los Angeles or the City of El Monte. In addition, for each fiscal year commencing after the effective date of this jurisdictional change, no portion of the incremental tax growth attributable to this annexation shall be transferred from the County of Los Angeles or the City of El Monte to the District.

3. Funding to the District for this annexation is agreed upon and established in a separate agreement entitled "AGREEMENT FOR SERVICES BY AND BETWEEN THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY AND THE CITY OF EL MONTE" approved by the City of El Monte on August 12, 1997 and to be approved by the District on the date of District's approval of the annexation.

4. No additional transfer of property tax revenues shall be made from any other taxing agency(ies) to the District as a result of this annexation.

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The foregoing Resolution was adopted by the Board of Supervisors of the County of Los Angeles as the governing body of the Consolidated Fire Protection District of Los Angeles County and the City Council of the City of El Monte.

CITY OF EL MONTE

By _____
Mayor

August 12, 1997
Adopted by the El Monte City Council on the above Date

ATTEST:

By L. Rachel Mates
City Clerk

(SEAL)

APPROVED AS TO FORM:

CITY ATTORNEY

By D. Gelch 8-13-97

CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY

By _____
Chairman, Board of Supervisors

Date

ATTEST:

JOANNE STURGES, Executive Officer
Clerk of the Board of Supervisors

By _____
Deputy

(SEAL)

APPROVED AS TO FORM:

DE WITT W. CLINTON
County Counsel

By _____
Deputy

F:ELM:RESPTR.WPD

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL MONTE, CALIFORNIA, [illegible] POSITIONS IN THE [illegible]

THE CITY COUNCIL OF THE CITY OF EL MONTE DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That the City Council of the City of El Monte ("City") does hereby find, determine and declare, as follows:

(a) That the City Council has heretofore taken the steps necessary to annex the properties located within the boundaries of the City to the Consolidated Fire Protection District of Los Angeles County; and

(b) That the City has executed an Agreement with the District to provide for fire services; and

(c) That the necessity for the positions in the City's classified service in the Fire Department ("Positions") no longer exists; and

(d) Accordingly, in the interest of economy the need for the said positions no longer exists, it is necessary to abolish those said Positions; and

(e) That the Positions to which this resolution applies are enumerated on Exhibit A, attached hereto and incorporated herein by this reference; and

necessity require the abolition of the said Positions in the interest of economy and

SECTION 2. That the Positions in the Fire Department enumerated on Exhibit A, attached hereto and incorporated herein by this reference be and hereby are abolished.

SECTION 3. That this resolution shall take effect on the date the City Administrator determines that the Agreement between the City of El Monte and the Consolidated Fire Protection District pursuant to which Fire Services will be provided to the City becomes operative.

SECTION 4. The City Clerk shall certify the adoption of this Resolution and shall forward a certified copy hereof to the City Administrator and Personnel Officer.

Passed, approved and adopted on this 16th day of December, 1997.

Patricia A. Wallach
Mayor of the City of El Monte

ATTEST:

L. Rachel Montes
City Clerk of the City of El Monte

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF EL MONTE)

I, L. RACHEL MONTES, City Clerk of the City of El Monte, hereby certify that the foregoing Resolution No. 7822 was passed and adopted by the City Council of the City of El Monte, signed by the Mayor and attested to by the City Clerk at an adjourned regular meeting of said Council held on the 16th day of December, 1997, and that said Resolution was adopted by the following vote, to-wit:

AYES: Mayor Wallach, Councilmembers Barrios, Fellow, Jimenez and Thurston

NOES: NONE

ABSENT: NONE

L. Rachel Montes
L. Rachel Montes
City Clerk of the City of El Monte

CITY OF EL MONTE
POSITIONS TO BE ABOLISHED IN THE FIRE DEPARTMENT

FIRE CHIEF

FIRE BATTALION CHIEF

FIRE BATTALION CHIEF/TRAINING

FIRE BATTALION CHIEF/FIRE MARSHAL

FIRE CAPTAIN

FIRE ENGINEER

FIRE ENGINEER/ARSON DOG

FIRE FIGHTER

FIRE FIGHTER/PARAMEDIC

CITY OF EL MONTE

AMENDMENT NO. 1 TO THE 1996 MOU

(El Monte Fire Managers' Association)

THIS AMENDMENT NO. 1 to the 1996 MOU (herein "Amendment No. 1") is dated as of July ____, 1997, by and between El Monte Fire Managers' Association (herein "Fire Managers") and the City of El Monte (the "City") and is entered into in light of the following facts:

-- RECITALS --

The City Council has initiated certain proceedings pursuant to its Ordinance No. 2459, which are expected to result in the transfer of local fire protection and emergency services described in the Fire Protection District Consolidation Study Proposal, dated July 26, 1996, from the City to the Consolidation Fire Protection District of Los Angeles County (the "Fire Protection District") by a date no later than December 31, 1997; and

Upon the completion of the annexation proceedings initiated by Ordinance No. 2459, the position of each employee member of El Monte Fire Managers' Association (herein individually referred to as a "fire manager") shall be abolished as a City employment function in accordance with El Monte Municipal Code Section 2322; provided however, that the Fire Protection District has first agreed to accept fire managers as new fire safety employees of the Fire Protection District as authorized by Government Code Section 53292; and

The parties to this Amendment No. 1 have previously entered into a Memorandum of Understanding, approved on November 26, 1996 (the "1996 MOU"); and

The parties, by the final approval and execution of this Amendment No. 1, intend to memorialize the agreement reached in recent collective bargaining negotiations relating to the completion of the municipal services reorganization and annexation proceedings initiated by Ordinance No. 2459 and the matters embraced herein.

THE PARTIES HEREBY AGREE AS FOLLOWS:

SECTION 1. Text of 1996 MOU Incorporated By Reference. The text of the 1996 MOU is incorporated into this Amendment No. 1 by this reference. The specially defined terms and phrases as used in the 1996 MOU shall have the same meaning when used in this Amendment No. 1, unless the particular context of usage of a specially defined term in this Amendment No. 1 may otherwise require.

SECTION 2. Special Definitions for Text of Amendment No. 1.

The following words and phrases shall have the meaning ascribed to them in this Section 2 for the purpose of implementing Amendment No. 1:

City Sick Leave Time. The words "City Sick Leave Time" refer to the number of hours of accrued and unused sick leave as set forth at Article V, Section 3 of the 1996 MOU which each fire manager may have accumulated as of the Termination Date (after transfer and credit to the Fire Protection District Sick Leave account of the fire manager under Section 3) which shall be payable in installments by the City at the times set forth in Section 8 pursuant to the reimbursement formula as more fully set forth in Section 4.

City Holiday Time. The words "City Holiday Time" refer to the number of hours of accrued and unused holiday time as set forth in Article V, Section 1 of the 1996 MOU which each fire manager may have accumulated as of the Termination Date which shall be payable in installments by the City at the times set forth in Section 8.

City Vacation Leave Time. The words "City Vacation Leave Time" refer to the number of hours of accrued and unused vacation time as set forth at Article V, Section 2 of the 1996 MOU which each fire manager may have accumulated as of the Termination Date (after transfer and credit to the account of the Fire Protection District Vacation Leave account of the fire manager under Section 3) which shall be payable by the City in installment at the times set forth in Section 8.

Supplemental City Sick Leave Time. The words "Supplemental City Sick Leave Time" refer to the number of hours of accrued and unused sick leave as set forth at Article V, Section 3 of the 1996 MOU in excess of a minimum of One Hundred and Forty-Four (144) hours which certain fire managers may have accumulated as of the Termination Date which shall be payable by the City as provided in Section 7.

Fire Protection District Sick Leave. The words "Fire Protection District Sick Leave" refer to the number of hours of sick leave which each former fire manager shall be entitled to claim as a benefit of employment as a fire safety employee of the Fire Protection District commencing on the Termination Date.

Fire Protection District Vacation Leave. The words "Fire Protection District Vacation Leave" refer to the number of hours of vacation leave which each former fire manager shall be entitled to claim as a benefit of employment as a fire safety employee of the Fire Protection District commencing on the Termination Date.

Termination Date. The words "Termination Date" refer to the time and date on which each fire manager position is abolished as the result of the completion of the annexation proceedings initiated by City Ordinance No. 2459 and the Fire Protection District commences the performance of fire protection services within the territorial jurisdiction of the City pursuant to the contract referenced in City Ordinance No. 2459.

SECTION 3. Fire Protection District Sick Leave and Fire Protection District Vacation Leave.

Upon becoming a fire safety employee of the Fire Protection District, each former fire manager shall commence to accrue Fire Protection District benefits for sick time and vacation time in accordance with the personnel rules and regulations of the Fire Protection District.

By no later than the Termination Date, the City shall have completed the appropriate contract arrangements with the Fire Protection District pursuant to Government Code Section 56848.3, such that each former fire manager who is selected and becomes a fire safety employee of the Fire Protection District, may commence work as a fire safety employee of the Fire Protection District with a fully accrued Fire Protection District Sick Leave benefit credit of up to not more than One Hundred Forty-Four (144) hours. This benefit credit of up to One Hundred Forty-Four (144) hours of Fire Protection District Sick Leave shall be transferred by the City from the former fire manager's available and unused City sick time account on the Termination Date pursuant to the terms of the contract between the Fire Protection District and the City.

Forty (240) DW 8-13-97 PER CITY COUNCIL MOTION ACKNOWLEDGMENT CORRECT

By no later than the Termination Date, the City shall have completed the appropriate contract arrangements with the Fire Protection District pursuant to Government Code Section 56848.3, such that each former fire manager who is selected and becomes a fire safety employee of the Fire Protection District, may commence work as a fire safety employee of the Fire Protection District with a fully accrued Fire Protection District Vacation Leave benefit credit of up to not more than Two Hundred ~~Ten~~ (~~210~~) hours. This benefit credit of up to Two Hundred Ten (210) hours of Fire Protection District Vacation Leave shall be transferred by the City from the former fire manager's available and unused City vacation time account on the Termination Date pursuant to the terms of the contract between the Fire Protection District and the City.

SECTION 4. City Sick Leave Time Pay-Off.

Each fire manager shall receive certain payments from the City at the times provided in Section 8, which correspond to a cash reimbursement for City Sick Leave Time allocated to each fire manager by the City Payroll Technician on the Termination Date in accordance with the following formula:

(Total hours of accrued and unused City sick leave time on the Termination Date) - (minus) (up to a maximum of 144 hours of sick leave time transferred to Fire Protection District at the sole cost of the City under Section 3)	= Balance of City accrued and unused sick leave time subject to pay-off under Section 4 (divided by) 2

provided however, that maximum number of hours of the balance of City Sick Leave Time payable to each former fire manager by the City in accordance with the formula in this Section 4 shall not exceed Nine Hundred (900) hours of time.

SECTION 5. **City Vacation Leave Time Pay-Off**

Each fire manager who has a remaining balance of City Vacation Leave Time shall receive certain payments from the City at the times provided in Section 8, which correspond to a cash reimbursement for the remaining balance of City Vacation Leave Time allocated to each fire manager by the City Payroll Technician which was not transferred as a benefit credit by the City to the Fire Protection District on the Termination Date.

SECTION 6. **City Holiday Time Pay-Off**

Each fire manager shall receive certain payments from the City at the times provided in Section 8, which correspond to a cash reimbursement for City Holiday Time for calendar year 1997 allocated to each fire manager by the City Payroll Technician on the Termination Date which the fire manager may not have used for any reason before the Termination Date. To the extent that this Section 6 may be inconsistent with the applicable provisions of the 1996 MOU, this Section 6 shall govern the accrual and pay-off of any unused City Holiday Time for calendar year 1997 as of the Termination Date.

SECTION 7. **Supplemental City Sick Leave Time.**

A. In addition to the cash reimbursement payable by the City for City Sick Leave Time allocated to each fire manager by the City Payroll Technician on the Termination Date in accordance with the formula set forth in Section 4, certain other amounts of Supplemental City Sick Leave Time may be payable by the City to a former fire manager in accordance with the formula set forth in Section 7.B, below, subject to the following conditions:

(a) on the Termination Date, the fire manager shall have a total of not less than 144 hours of accrued and unused City sick leave benefit time available; and

(b) concurrently, on the Termination Date the fire manager elects and is selected and becomes a fire safety employee of the Fire Protection District; and

(c) after the Termination Date, the fire manager suffers from a catastrophic health condition or injury which is expected to require an absence from work as a fire safety employee of the Fire Protection District of not less than thirty (30) consecutive calendar days and such catastrophic health condition did not occur or arise out of the course of employment with the City; and

(d) the catastrophic health condition described in subparagraph (c) above occurs before the fifth (5th) anniversary after the Termination Date; and

(e) as a consequence of the occurrence of the catastrophic health condition described in subparagraph (c), above, the fire manager has lowered all accrued and available employee benefit leave accounts as a fire safety employee of the Fire Protection District to zero (0) hours; and

(f) the fire manager has submitted an appropriately detailed written request to the City Personnel Officer to commence payment of the available Supplemental City Sick Leave Time (as allocated by the City Payroll Technician to the former fire manager on the Termination Date) by a date not later than ninety (90) days after the fifth (5th) anniversary of the Termination Date. The written request shall be accompanied by a written verification of a treating physician which describes the nature, expected duration and prognosis of the catastrophic health condition or injury together with a written verification by an appropriate officer of the Fire Protection District which confirms that the fire manager has lowered all accrued leave accounts of the Fire Protection District to zero (0) hours. The written request shall also indicate the number of hours of Supplemental City Sick Leave Time claimed (not to exceed 243.3 hours per month) based upon the treating physician's verification that the former fire manager cannot be released to return to work with the Fire Protection District within the period of time claimed. In the event that such a catastrophic health condition may continue, the former fire manager may submit additional written requests for payment to the City Personnel Officer every thirty (30) days thereafter until the Supplemental City Sick Leave Time account available to the former fire manager is exhausted.

B. Supplemental City Sick Leave Time authorized by this Section 7 shall be payable by the City to an eligible former fire manager in equal monthly installments of up to Two Hundred Forty-Three and Three-Tenths (243.3) hours of time per month until the Supplemental City Sick Leave Time account of the former fire manager is exhausted; provided however, that the aggregate amount of payments of Supplemental City Sick Leave Time to a former fire manager shall not exceed the aggregate amount of the sum payable by the City to the former fire manager as City Sick Leave Time under Section 4, above. Each payment of an installment of Supplemental City Sick Leave Time shall be made by the City within thirty (30) days following the receipt and approval by the City Personnel Office of the completed request described in Section 7.A(f).

The written notice described in Section 10, below, shall include a separate calculation which shows the total number of hours potentially available to each former fire manager of [illegible] City Sick Leave Time, if any, on the Termination Date and the value per hour of such time.

SECTION 8. Schedule of Payments by the City.

The amounts payable by the City to each former fire manager under Section 4, Section 5 and Section 6, above, shall be aggregated, and except as provided in Section 10, the aggregate balance shall be paid to the order and account of each former fire manager in up to ten (10) equal installments as follows:

(a) the first installment shall be due and payable within thirty (30) days of the Termination Date;

(b) the next up to nine (9) installments shall be payable on the July 1 next following the Termination Date and on each July 1, thereafter until the remaining balance is paid in full or such earlier date as provided in subsection (c), below;

(c) the remaining aggregate balance of the amounts payable under Section 4, Section 5 and Section 6, above, shall be immediately due and payable by the City to the former fire manager upon the occurrence of either of the following events:

(i) the date of service or disability retirement of the fire manager as a fire safety employee of the Fire Protection District or upon the death of the fire manager; or

(ii) the date on which the remaining aggregate balance payable by the City to the former fire manager under Section 4, Section 5 and Section 6 is less than Two Thousand Dollars ($2,000.00).

Each installment of the amounts payable by the City under Section 4, Section 5 and Section 6 shall be paid by check and sent by mail to the address of the former fire manager provided to the City in Section 9.

SECTION 9. Notice of Aggregate Balance of Payments and Change of Address.

Within ten (10) days after the Termination Date, the City shall transmit a written notice to each former fire manager which provides an appropriately detailed accounting of the number of hours and cash payment value due and payable by the City under the terms of Section 4, Section 5, Section 6 and Section 7, above (taking into consideration for each fire manager for the purpose of such accounting the individual job classification and rate of pay, step, bonus, etc., as applicable on the Termination Date under Article 11 of the 1996 MOU). Any correction to the

Final payroll information contained in such a written notice shall be brought to the attention of the City by the former fire manager within thirty (30) days following the date of transmittal of the notice by the City.

The written notice shall be sent by the City to the mailing address of the former fire manager which is part of the personnel records of the City on the Termination Date. After the Termination Date, a former fire manager may change the address to which the City shall send the payments described in this Amendment No. 1 by certified mail by notifying the following person in writing:

City of El Monte Payroll Technician
City of El Monte Finance Department
City Hall - East
11333 Valley Boulevard
El Monte, California 91731
(626) 580-2027

The City Payroll Technician shall maintain and periodically update a record and accounting of the sums payable to each former fire manager hereunder.

SECTION 10. **Service Retirement of A Fire Manager On or Before Termination Date.**

Notwithstanding any other provision of this Amendment No. 1 to the contrary, each fire manager who receives a service or disability retirement from the City which is effective on or prior to the Termination Date shall receive retirement benefits and privilege in accordance with the governing 1996 MOU.

SECTION 11. **On the Termination Date, Each Fire manager Shall Cease To Be An Employee of the City.**

On the Termination Date, each fire manager shall cease to be an employee of the City and thereafter no further right, benefit or privilege shall accrue to any former fire manager under the 1996 MOU or any other City rule, regulation, ordinance or resolution. From and after the Termination Date, each former fire manager shall receive from the City only those amounts of compensation for accrued but unused and/or unpaid employee benefit leave time through the Termination Date as provided in this Amendment No. 1.

SECTION 12. Acknowledgment By Fire Managers Relating To Pending Consolidation Proceedings.

Fire Managers acknowledge and agree that separate approval by the applicable represented bargaining unit of the fire safety employees of the Fire Protection District under Government Code Section 53292 of the terms and conditions on which each member of the fire managers may become a fire safety employee of the Fire Protection District, is a matter which may be subject to the collective labor bargaining arrangements and the personnel rules and regulations of the Fire Protection District.

SECTION 13. **Indemnification**

Fire Managers shall indemnify the City and hold it harmless against any and all claims, demands, suits and other forms of liability asserted against the City by a former fire manager that may arise out of, or by reason of, any action taken by the City for the purpose of complying with the provisions of this Amendment No. 1.

SECTION 14. **Entire Agreement Included in This Amendment No. 1**

The parties hereto acknowledge that during the negotiations which resulted in this Amendment No. 1, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Amendment No. 1. Therefore, Fire Managers and the City for the duration of this Amendment No. 1, each voluntarily and unqualifiedly waives the right, and each agrees the other shall not be obligated to bargain collectively with respect to any subject matter not specifically referred to, or covered in this Amendment No. 1, even though such subjects or matters may not have been within the knowledge or contemplation of either or both of the parties at the time they negotiated this Amendment No. 1. This Amendment No. 1 may only be amended during its term by the parties' mutual agreement in writing.

This Amendment No. 1 supersedes and cancels all other prior practices and agreements whether written or oral, unless expressly stated to the contrary herein and this Amendment No. 1 constitutes the complete and entire amendment to the 1996 MOU between the parties, and concludes collective bargaining for its term.

AGREED AND APPROVED

FIRE MANAGERS El Monte Fire Managers' Association	CITY City of El Monte
Dated: 8/20/97 By _____	Dated: 8-12-97 By _____ Mayor
By _____	By _____ City Clerk
	By _____ City Administrator

CITY HALL EAST • 11333 VALLEY BOULEVARD
EL MONTE, CALIFORNIA 91731-3293
(818) 580-2001 • FAX (818) 444-3502

GREGORY D. KORDUNER
CITY ADMINISTRATOR

MATTHEW D. WEINTRAUB
ASSISTANT CITY ADMINISTRATOR

August 19, 1997

Robert C. Mull
Battalion Chief
El Monte Fire Department
3615 Santa Anita Drive
El Monte, California 91731
Attention: El Monte Fire Managers Association

RE: City of El Monte
Amendment No. 1 to the 1996 MOU
(El Monte Fire Managers Association)

Dear Mr. Mull:

This letter is sent to you on behalf of the City of El Monte (the "City") in your capacity as the labor relations representative of the El Monte Fire Managers Association (herein "Fire Managers"). The purpose of this letter is to specially confirm the understanding and correct application by the parties of the provisions of Section 4 of Amendment No. 1 to the 1996 MOU, dated as of August 12, 1997 (herein "Amendment No. 1 to the MOU") by and between Fire Managers and the City to the fire safety employee position of Fire Department Battalion Chief/ Training in the circumstances described herein. The complete text of Amendment No. 1 to the MOU is incorporated into this letter by this reference.

On August 13, 1997, you informed the Office of the City Administrator and the Office of the City Attorney that, under current City personnel rules and practices, two (2) separate fire safety employee positions held by members of Fire Managers are classified as 40-hour per week fire safety employee positions for the purpose of calculating the accrual of sick leave benefit time. The other members of Fire Managers hold fire safety employee positions which are classified as 56-hour per week positions. At the present time, one of these two (2) fire safety employee manager positions is vacant as a result of a recent service retirement -- namely the fire safety employee position of City Fire Marshal. However, the second position -- Fire Department Battalion Chief/Training -- is held by an active duty fire safety member of Fire Managers.

The City personnel rules and procedures which are part of the 1996 MOU by and between Fire Managers and the City provide that any member of Fire Managers who holds a fire safety employee job duty classified as a 40-hour per week position at the time of retirement or at the time

of elimination of the position shall be eligible to claim, either a cash payment or a service credit for accrued and unused sick leave time hours determined in accordance with the following formula:

$$\frac{\text{(total number of hours of accrued and unused sick leave time at the retirement date)}}{\text{divided by 2}} = \mathbf{X}\text{: where } \mathbf{X} \text{ shall not exceed 1,200 hours}$$

Therefore, the correct application of Section 4 of Amendment No. 1 to the MOU in the special case of the fire safety employee who holds the position of Fire Department Battalion Chief/Training on the Termination Date and who also becomes a County firefighter on the Termination Date requires that the maximum amount of "City Sick Leave Time" for this 40-hour per week position shall not exceed 1,200 hours of time. All other 56-hour per week fire safety employee positions held by other members of Fire Managers on the Termination Date shall be subject to the 900-hour maximum City Sick Leave Time benefit calculation, as presented in the text of Section 4 of Amendment No. 1 to the MOU (assuming that the position of City Fire Marshal remains vacant and unfilled through the Termination Date).

I trust that this letter provides Fire Managers and you with satisfactory confirmation of the understanding and correct application by the parties of the provisions of Section 4 of Amendment No. 1 to the MOU in the special case of the 40-hour per week position of Fire Department Battalion Chief/Training.

Very truly yours,

CITY OF EL MONTE, CALIFORNIA

Gregory D. Korduner

Gregory D. Korduner
City Administrator

GDK:DFG:ah
(Enclosure)

cc: Fire Chief Les George
Eric Berry
David F. Gondek, Esq.

A286:014.4-27:ah

interoffice
MEMORANDUM

OFFICE OF THE CITY ATTORNEY

FILE NO. 014.4/011.0
DATE: 6-17-97

from: D. GONDEK

(014.4-13)
[2 PARTIALLY EXECUTED ORIGINALS]

to: G. KORDUNEK

subject: LOCAL 1014 "CLOSE-OUT MOU"

REPRESENTATIVES OF FIREFIGHTERS LOCAL 1014 HAVE ACKNOWLEDGED ACCEPTANCE BY THE MEMBERSHIP OF THE 5-7-97 DRAFT OF THE "CLOSE-OUT MOU" (AUTHORIZED BY CITY COUNCIL CLOSED SESSION VOTE 4-1 ON MAY 6, 1997 SPECIAL CITY COUNCIL MEETING)

PLEASE PLACE FINAL ACCEPTANCE OF CLOSE-OUT MOU BY THE CITY AS A PUBLIC AGENDA ACTION ITEM ON CITY COUNCIL CONSENT CALENDAR AND THEN DISTRIBUTE FULLY EXECUTED COPIES — #1 ORIGINAL TO CITY CLERK #2 ORIGINAL TO FIREFIGHTERS LOCAL 1014.

A265-003.0-538:SD

295

5/7/97

CITY OF EL MONTE
AMENDMENT NO. 1 TO THE
1996 MOU
(Firefighters Local 1014)

THIS AMENDMENT NO. 1 to the 1996 MOU (herein "Amendment No. 1") is dated as of May 6, 1997, by and between Firefighters Local 1014/AFL-CIO (herein "Firefighters") and the City of El Monte (the "City") and is entered into in light of the following facts:

-- RECITALS --

The City Council has initiated certain proceedings pursuant to its Ordinance No. 2459, which are expected to result in the transfer of local fire protection and emergency services described in the Fire Protection District Consolidation Study Proposal, dated July 26, 1996, from the City to the Consolidation Fire Protection District of Los Angeles County (the "Fire Protection District") by a date no later than December 31, 1997; and

Upon the completion of the annexation proceedings initiated by Ordinance No. 2459, the position of each employee member of Firefighters (herein individually referred to as a "firefighter") shall be abolished as a City employment function in accordance with El Monte Municipal Code Section 2322; provided however, that the Fire Protection District has first agreed to accept Firefighters as new fire safety employees of the Fire Protection District as authorized by Government Code Section 53292; and

The parties to this Amendment No. 1 have previously entered into a Memorandum of Understanding, approved on September 10, 1996 (the "1996 MOU"); and

The parties intend by the final approval and execution of this Amendment No. 1 to memorialize the agreement reached in recent collective bargaining negotiations relating to the completion of the municipal services reorganization and annexation proceedings initiated by Ordinance No. 2459 and the matters embraced herein.

THE PARTIES HEREBY AGREE AS FOLLOWS:

SECTION 1. **Text of 1996 MOU Incorporated By Reference.** The text of the 1996 MOU is incorporated into this Amendment No. 1 by this reference. The specially defined terms and phrases as used in the 1996 MOU shall have the same meaning when used in this Amendment No. 1, unless the particular context of usage of a specially defined term in this Amendment No. 1 may otherwise require.

SECTION 2. Special Definitions for Text of Amendment No. 1.

The following words and phrases shall have the meaning ascribed to them in this Section 2 for the purpose of implementing Amendment No. 1:

City Sick Leave Time. The words "City Sick Leave Time" refer to the number of hours of accrued and unused sick leave as set forth at Part V, Section 3 of the 1996 MOU which each firefighter may have accumulated as of the Termination Date which shall be payable in installments by the City at the times set forth in Section 8 pursuant to the reimbursement formula as more fully set forth in Section 4.

City Holiday Time. The words "City Holiday Time" refer to the number of hours of accrued and unused holiday time as set forth in Part V, Section 1 of the 1996 MOU which each firefighter may have accumulated as of the Termination Date which shall be payable in installments by the City at the times set forth in Section 8.

City Vacation Leave Time. The words "City Vacation Leave Time" refer to the number of hours of accrued and unused vacation time as set forth at Part V, Section 2 of the 1996 MOU which each firefighter has accumulated as of the Termination Date which shall be payable by the City at the times set forth in Section 8.

Supplemental City Sick Leave Time. The words "Supplemental City Sick Leave Time" refer to the number of hours of accrued and unused sick leave as set forth at Part V, Section 3 of the 1996 MOU in excess of a minimum of One Hundred and Forty-Four (144) hours which certain firefighters may have accumulated as of the Termination Date which shall be payable by the City as provided in Section 7.

Fire Protection District Sick Leave. The words "Fire Protection District Sick Leave" refer to the number of hours of sick leave which each former firefighter shall be entitled to claim as a benefit of employment as a fire safety employee of the Fire Protection District commencing on the Termination Date.

Termination Date. The words "Termination Date" refer to the time and date on which each firefighter position is abolished as the result of the completion of the annexation proceedings initiated by City Ordinance No. 2459 and the Fire Protection District commences the performance of fire protection services within the territorial jurisdiction of the City pursuant to the contract referenced in City Ordinance No. 2459.

SECTION 3. **Fire Protection District Sick Leave.**

Upon becoming a fire safety employee of the Fire Protection District, each former firefighter shall commence to accrue Fire Protection District benefits for sick time and vacation time in accordance with the personnel rules and regulations of the Fire Protection District.

By no later than the Termination Date, the City shall have completed the appropriate [illegible] pursuant to Government Code Section [illegible] becomes a fire safety employee of [illegible] employee of the Fire Protection [illegible] not more

than One Hundred Forty-Four (144) hours. This benefit credit of up to One Hundred Forty-Four (144) hours of Fire Protection District Sick Leave shall be transferred by the City from the former firefighter's available and unused City sick time account on the Termination Date pursuant to the terms of the contract between the Fire Protection District and the City.

The City shall have no obligation to transfer from the firefighter's available and unused City vacation time account any such time or credit to the Fire Protection District or to otherwise cause the Fire Protection District to grant any former firefighter effective on the Termination Date a fully accrued fire safety employee benefit credit of Fire Protection District vacation time.

SECTION 4. **City Sick Leave Time Pay-Off**.

Each firefighter shall receive certain payments from the City at the times provided in Section 8, which correspond to a cash reimbursement for City Sick Leave Time allocated to each firefighter by the City Payroll Technician on the Termination Date in accordance with the following formula:

(Total hours of accrued and unused City sick leave time on the Termination Date) - (minus) (up to a maximum of 144 hours of sick leave time transferred to Fire Protection District at the sole cost of the City under Section 3)	= Balance of City accrued and unused sick leave time subject to pay-off under Section 4 (divided by) 2

provided however, that maximum number of hours of the balance of City Sick Leave Time payable to each former firefighter by the City in accordance with the formula in this Section 4 shall not exceed Nine Hundred (900) hours of time.

SECTION 5. **City Vacation Leave Time Pay-Off**

Each firefighter shall receive certain payments from the City at the times provided in Section 8, which correspond to a cash reimbursement for City Vacation Leave Time allocated to each firefighter by the City Payroll Technician on the Termination Date.

SECTION 6. **City Holiday Time Pay-Off**

Each firefighter shall receive certain payments from the City at the times provided in Section 8, which correspond to a cash reimbursement for City Holiday Time for calendar year 1997 allocated to each firefighter by the City Payroll Technician on the Termination Date which

the firefighter may not have used for any reason before the Termination Date. To the extent that this Section 6 may be inconsistent with the applicable provisions of the 1996 MOU, this Section 6 shall govern the accrual and pay-off of any unused City Holiday Time for calendar year 1997 as of the Termination Date.

SECTION 7. **Supplemental City Sick Leave Time.**

A. In addition to the cash reimbursement payable by the City for City Sick Leave Time allocated to each firefighter by the City Payroll Technician on the Termination Date in accordance with the formula set forth in Section 4, certain other amounts of Supplemental City Sick Leave Time may be payable by the City to a former firefighter in accordance with the formula set forth in Section 7.B, below, subject to the following conditions:

(a) on the Termination Date, the firefighter shall have a total of not less than 144 hours of accrued and unused City sick leave benefit time available; and

(b) concurrently, on the Termination Date the firefighter elects and is selected and becomes a fire safety employee of the Fire Protection District; and

(c) after the Termination Date, the firefighter suffers from a catastrophic health condition or injury which is expected to require an absence from work as a fire safety employee of the Fire Protection District of not less than thirty (30) consecutive calendar days and such catastrophic health condition did not occur or arise out of the course of employment with the City; and

(d) the catastrophic health condition described in subparagraph (c) above occurs before the fifth (5th) anniversary after the Termination Date; and

(e) as a consequence of the occurrence of the catastrophic health condition described in subparagraph (c), above, the firefighter has lowered all accrued and available employee benefit leave accounts as a fire safety employee of the Fire Protection District to zero (0) hours; and

(f) the firefighter has submitted an appropriately detailed written request to the City Personnel Officer to commence payment of the available Supplemental City Sick Leave Time (as allocated by the City Payroll Technician to the former firefighter on the Termination Date) by a date not later than ninety (90) days after the fifth (5th) anniversary of the Termination Date. The written request shall be [illegible] treating physician which describes the [illegible] catastrophic health condition or [illegible] by an appropriate officer of the Fire

accounts of the Fire Protection District to zero (0) hours. The written request shall also indicate the number of hours of Supplemental City Sick Leave Time claimed (not to exceed 243.3 hours per month) based upon the treating physician's verification that the former firefighter cannot be released to return to work with the Fire Protection District within the period of time claimed. In the event that such a catastrophic health condition may continue, the former firefighter may submit additional written requests for payment to the City Personnel Officer every thirty (30) days thereafter until the Supplemental City Sick Leave Time account available to the former firefighter is exhausted.

B. Supplemental City Sick Leave Time authorized by this Section 7 shall be payable by the City to an eligible former firefighter in equal monthly installments of up to Two Hundred Forty-Three and Three-Tenths (243.3) hours of time per month until the Supplemental City Sick Leave Time account of the former firefighter is exhausted; provided however, that the aggregate amount of payments of Supplemental City Sick Leave Time to a former firefighter shall not exceed the aggregate amount of the sum payable by the City to the former firefighter as City Sick Leave Time under Section 4, above. Each payment of an installment of Supplemental City Sick Leave Time shall be made by the City within thirty (30) days following the receipt and approval by the City Personnel Office of the completed request described in Section 7.A(f).

The written notice described in Section 9, below, shall include a separate calculation which shows the total number of hours potentially available to each former firefighter of Supplemental City Sick Leave Time, if any, on the Termination Date and the value per hour of such time.

SECTION 8. **Schedule of Payments by the City**.

The amounts payable by the City to each former firefighter under Section 4, Section 5 and Section 6, above, shall be aggregated, and except as provided in Section 10, the aggregate balance shall be paid to the order and account of each former firefighter in up to ten (10) equal installments as follows:

(a) the first installment shall be due and payable within thirty (30) days of the Termination Date;

(b) the next up to nine (9) installments shall be payable on the July 1 next following the Termination Date and on each July 1, thereafter until the remaining balance is paid in full or such earlier date as provided in subsection (c), below;

(c) the remaining aggregate balance of the amounts payable under Section 4, Section 5 and Section 6, above, shall be immediately due and payable by the City to the former firefighter upon the occurrence of either of the following events:

(i) the date of service or disability retirement of the firefighter as a fire safety employee of the Fire Protection District or upon the death of the firefighter; or

(ii) the date on which the remaining aggregate balance payable by the City to the former firefighter under Section 4, Section 5 and Section 6 is less than Two Thousand Dollars ($2,000.00).

Each installment of the amounts payable by the City under Section 4, Section 5 and Section 6 shall be paid by check and sent by mail to the address of the former firefighter provided to the City in Section 9.

SECTION 9. **Notice of Aggregate Balance of Payments and Change of Address**.

Within ten (10) days after the Termination Date, the City shall transmit a written notice to each former firefighter which provides an appropriately detailed accounting of the number of hours and cash payment value due and payable by the City under the terms of Section 4, Section 5, Section 6 and Section 7, above (taking into consideration for each firefighter for the purpose of such accounting the individual job classification and rate of pay, step, bonus, etc., as applicable on the Termination Date under Article II of the 1996 MOU). Any correction to the final payroll information contained in such a written notice shall be brought to the attention of the City by the former firefighter within thirty (30) days following the date of transmittal of the notice by the City.

The written notice shall be sent by the City to the mailing address of the former firefighter which is part of the personnel records of the City on the Termination Date. After the Termination Date, a former firefighter may change the address to which the City shall send the payments described in this Amendment No. 1 by certified mail by notifying the following person in writing:

City of El Monte Payroll Technician
City of El Monte Finance Department
City Hall - East
11333 Valley Boulevard
El Monte, California 91731
(818) 580-2027

The City Payroll Technician shall maintain and periodically update a record and accounting of the sums payable to former fire fighters hereunder.

SECTION 10. **Service Retirement of A Firefighter On or Before Termination Date**.

Notwithstanding any other provision of this Amendment No. 1 to the contrary, each firefighter who receives a service or disability retirement from the City which is effective on or prior to the Termination Date shall receive retirement benefits and privilege in accordance with the governing 1996 MOU.

SECTION 11. **On the Termination Date, Each Firefighter Shall Cease To Be An Employee of the City.**

On the Termination Date, each member of the Firefighters shall cease to be an employee of the City and thereafter no further right, benefit or privilege shall accrue to any former firefighter under the 1996 MOU or any other City rule, regulation, ordinance or resolution. From and after the Termination Date, each former firefighter shall receive from the City only those amounts of compensation for accrued but unused and/or unpaid employee benefit leave time through the Termination Date as provided in this Amendment No. 1.

SECTION 12. **Acknowledgment By Firefighters Relating To Pending Consolidation Proceedings.**

Firefighters acknowledge and agree that separate approval by the represented bargaining unit of the fire safety employees of the Fire Protection District under Government Code Section 53292 of the terms and conditions on which each member of the Firefighters may become a fire safety employee of the Fire Protection District, is a matter which may be subject to the collective labor bargaining arrangements and the personnel rules and regulations of the Fire Protection District.

SECTION 13. **Indemnification**

Firefighters shall indemnify the City and hold it harmless against any and all claims, demands, suits and other forms of liability asserted against the City by a former firefighter that may arise out of, or by reason of, any action taken by the City for the purpose of complying with the provisions of this Amendment No. 1.

SECTION 14. **Entire Agreement Included in This Amendment No. 1**

The parties hereto acknowledge that during the negotiations which resulted in this Amendment No. 1, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Amendment No. 1. Therefore, Firefighters and the City for

the duration of this Amendment No. 1, each voluntarily and unqualifiedly waives the right, and each agrees the other shall not be obligated to bargain collectively with respect to any subject matter not specifically referred to, or covered in this Amendment No. 1, even though such subjects or matters may not have been within the knowledge or contemplation of either or both of the parties at the time they negotiated this Amendment No. 1. This Amendment No. 1 may only be amended during its term by the parties' mutual agreement in writing.

This Amendment No. 1 supersedes and cancels all prior practices and agreements whether written or oral, unless expressly stated to the contrary herein and constitutes the complete and entire amendment to the 1996 MOU between the parties, and concludes collective bargaining for its term.

AGREED AND APPROVED

FIREFIGHTERS
El Monte Firefighters
Local 1014

Dated: 6/15/97 By _____

By _____

CITY
City of El Monte

Dated: 6-25-97 By _____
Mayor

By _____
City Clerk

By _____
City Administrator

Mathew Pespisa, 10558 Emery Street asked if the Police Chief could use an undercover vehicle.

Motion carried 5-0. A- Org. Police

C-11 Part-time Dispatchers (Police Department) - Mayor Wallach commented on the recommendation for part-time dispatchers, and asked for an explanation on the filling of vacancies.

Assistant City Administrator Weintraub commented that the concern here was for vacation and holiday hours.

Mayor Wallach read out the paragraph in the memorandum, "Many police agencies utilize a pool of part-time dispatchers to call on rather than staffing on an overtime basis by dispatchers or police officers.", and asked why staff did not think of this before.

Assistant City Administrator Weintraub commented that the City has not had much access to part-time dispatchers who were familiar with the City's system. Over the recent years there have been a number of dispatchers resign from the City to pursue other activities but would still be available on a part-time basis, and would be more cost effective for the City.

Discussion followed regarding the hiring of part-time dispatchers and hourly rates.

Mayor Wallach made a motion, seconded by Councilmember Barrios and carried 5-0 to continue this matter to August 26, 1997 and for staff to bring back additional information regarding part-time dispatchers and hourly rates.

Regular Agenda A- Org. Fire

D-1 Mayor Wallach presented a memorandum dated August 7, 1997 regarding Consideration of August 6, 1997 Revised (Proposed Final) Draft of the 1997 Agreement for Service by and between the Consolidated Fire Protection District of Los Angeles County and the City of El Monte.

Howard Rigdon, 11301 Cherrylee Drive commented that he was opposed to the Fire Department Consolidation, and expressed his concern regarding who they should call for services.

Mayor Wallach asked Chief Sherrill who the community would call for services.

Chief Deputy, Stephen Sherrill, Los Angeles County Fire Department commented that an Assistant Chief is assigned to the City, he will be present at City Council meetings, he will be in touch on a constant basis with the City Administrator's Office, there will be a 24-hour Battalion Chief available, and there will still be four fire stations in El Monte with City staff.

Ken Clark, 3114 La Madera Avenue commented that he was opposed to the Fire Department Consolidation, and asked about the personnel that the Los Angeles County will take.

 A-Org. File

Mayor Wallach commented that the Los Angeles County is taking all the firefighters under the age of 60.

Mr. Clark continued with his comments regarding opposition to the Fire Department Consolidation.

Mayor Wallach asked Chief Sherrill if it is correct that all the firefighters and some of the civilians are going to the County.

Chief Sherrill stated yes.

Assistant City Administrator Weintraub commented that the City has space for those who do not go to the County.

Chief Sherrill commented that they have provided the civilian employees under the Fire Department with an opportunity to interview with their staff for dispatchers, fire inspectors and other different positions.

Ron King, El Monte Fire Department, commented on his support for the Fire Department Consolidation, which will result in better protection.

Robert Hunt, SEIU Local 347 representative, commented on the concerns of the Union members regarding losing their jobs with the Fire Department Consolidation.

Mayor Wallach clarified that her comment was "that no one would be without a job, whether it be with the County or the City."

Yukio Nakamura, 12213 Ramona Boulevard commented on the two sets of numbers presented regarding the Fire Department Consolidation, asked if the numbers have been reconciled, and what are the final numbers.

Finance Director Fiske commented that in the agenda there is a revised schedule, and the numbers have changed because of the change in time period.

Mr. Nakamura asked what is the bottom line.

Finance Director Fiske commented that the bottom line is there is a savings to the City's General Fund for all the five years that she studied.

Mayor Wallach asked if there is a savings to property taxes.

Finance Director Fiske stated yes, in the retirement fund.

Mayor Wallach asked for the numbers in the savings.

Finance Director Fiske read out the numbers for the five years for the General Fund:

Year One	$267,000.00
Year Two	$133,000.00
Year Three	$108,000.00
Year Four	$471,000.00
Year Five	$442,000.00

A-Org. Fire

The savings in the Retirement Fund is approximately $1.2M each year.

Ron Jones, El Monte Fire Department commented on his support for the Fire Department Consolidation.

Christopher Sutton, Attorney, 35 E. Union Street #C, Pasadena commented that he has been retained by the El Monteans for Responsible Local Government. Their intent is starting tomorrow to take a referendum petition against the document, resolution or contract approved tonight, and place the matter before the voters of the City of El Monte at the next regular election.

Ernie Gutierrez, 11708 Cherrylee Drive commented on his opposition to the Fire Department Consolidation, and referred to the list of equipment on page 2 of the contract.

Chief Sherrill commented that the conversion costs listed are anticipated costs, they will only charge the City for what is actually expended, and the City will receive an accounting of it.

Mr. Gutierrez asked when they will check to see if these items exist.

Chief Sherrill commented that there will be a transition period when a team, in addition with City staff and the existing Fire Department will look into what can be utilized.

Mr. Gutierrez asked about the Los Angeles County's emergency response times.

Chief Sherrill commented that the Los Angeles County has the goal to be able to respond to all incidents within five minutes, both rescue and structural firefighting. Additionally, their dispatch center is a 24-hour multi second atomic clock which gives the exact response time. Several areas of the City will be serviced directly by Los Angeles County fire engines which are closer.

Mr. Gutierrez asked if this is in writing anywhere.

Chief Sherrill commented that the information is in the budget and is made public knowledge.

Mr. Gutierrez commented that there are more than 200 lawsuits against the Los Angeles County Fire Department, and asked Chief Sherrill if he had any knowledge of this.

Chief Sherrill commented that they have lawsuits like any other agencies, but he does not know the details of the lawsuits.

Mr. Gutierrez asked if Chief Sherrill is aware of the

 A-Org. Fire

memorandum published in the San Gabriel Valley Tribune a few weeks ago, relative to "Show me the Green".

Chief Sherrill commented that he was aware of the statement, but it is somewhat out of context because it had to do with what was taking place throughout the County with the majority of the Unions at this point in time, and has very little to do with the specifics in the City of El Monte.

Mr. Gutierrez requested for the Council to allow the people to vote on this matter.

Joe Alexander, 3210 Nevada Avenue asked why Councilmember Barrios refused to meet with the local fire administrators to hear their side of the story.

Councilmember Barrios commented that he had talked to Chief George about matters he had questions on.

Lee Bollen, 3824 Clark Avenue asked if property taxes will be lowered, and by how much.

Finance Director Fiske commented that it is not known yet.

Ms. Bollen asked why El Monte has been asked to purchase a quint, when the surrounding areas have not been asked to purchase one, and is El Monte supplying the quint for the whole San Gabriel Valley or at any place else that the County wants to use it.

Chief Sherrill stated no, the truck service within the City of El Monte is the key issue for fire protection, and that is what the quint will have the capability of doing.

Ms. Bollen asked why the other cities are not asked to pay for this quint.

Chief Sherrill commented that some of the existing trucks within the City have limitations and they need to be replaced, and the proposal is to replace the trucks with a more multi functioning unit.

Olga Gutierrez, 11708 Cherrylee Drive referred to an article written by Councilmember Fellow which stated that 13% - 18% of non-fire emergency responses in El Monte went unanswered during a three year period, and asked from where he got the information.

Concilmember Fellow commented that he gathered information from talking to local fire officials.

Mrs. Gutierrez commented for the Council to put this matter to the vote of the people.

Al Phillips, 11703 Emery Street commented on his opposition to the Fire Department Consolidation, and asked who can guarantee property tax reduction.

Mayor Hill commented that the El Monte Fire Department is

paid through General Fund, and the County Assessment will also be paid through General Fund. Property taxes pay for the Fire Department's Retirement Fund, which will no longer be needed. That amount of money will be returned to the citizens, it will not be on the property taxes again.

Clifford Tarn, 11510 Fennell Street asked for Councilmember Fellow to elaborate on his comments that by consolidating with the County, there would be money for the citizens.

Councilmember Fellow commented that the citizens will be receiving the special funds that go for the firefighters' retirement, which comes out of the property tax, resulting in property tax reduction.

Mr. Phillips commented that he would like this matter to go to the vote of the people.

Ed Wallach, 3607 Penn Mar Avenue commented on his support for the Fire Department Consolidation.

Gil German, 11151 Dodson Street commented for the Council to do what is best for the City and put this matter to a vote of the people.

Paul Rusin, El Monte Fire Department commented on his support for the Fire Department Consolidation.

Richard Tovey, 3425 Nevada Avenue commented that he was in support of the Council's decision.

Patricia Alzaga, 11620 Cherrylee Drive commented on her support for the Fire Department Consolidation.

Patsy Sutley, 2518 ½ Bryce Road commented that she was in support for the Fire Department Consolidation.

John Wolsdorf, 3361 Nevada Avenue commented on his support for the Council's decision.

Bill Bentson, owner of Glass Emporium, asked why the Fire Station on Rush Street in South El Monte does not respond to paramedic calls.

Chief Sherrill commented that the South El Monte Fire Station does have an engine and a paramedic unit and is within 0.6 tenth of a mile to the City of El Monte, and should the City go contract with the County, it would assume some of the direct service level in the southwest portion of the City.

Mr. Bentson further commented on the numbers in savings, and for the Council to put this matter to a vote of the people.

Ron Allen, 11520 Fennell Street commented that the people should have a right to vote on this matter.

Mathew [illegible], 10558 [illegible]ery commented on emergency response

time, and supported what the Council decides is best for the City.

Mike Lavis, Vice Chairman of El Monte's Local 1014, El Monte Firefighters' Association commented on salaries and was in support of the Fire Department Consolidation.

Larry Williams, El Monte Fire Department commented on his support for the Fire Department Consolidation.

Councilmember Fellow commented on his support for the Fire Department Consolidation, and asked for the item of an actuarial study to be placed on the next agenda, to find out how much the citizens will save on property taxes.

Councilmember Barrios asked Chief Sherrill if every non-fire personnel has been interviewed for a position.

Chief Sherrill commented that they have been offered the opportunity, but not all of them have taken up the offer.

Councilmember Barrios commented that this is a very tough decision but he is in support of the consolidation.

Councilmember Jimenez commented that she was in favor of keeping the Fire Department some years ago, but a lot has happened since then, she had toured the Fire Stations with Chief George, and has concluded that it is time for improvements, the City needs the savings, and that consolidation is the right thing to do.

Councilmember Thurston commented that he is not opposed to the consolidation, but feels that the decision should be made by the voters in the City.

Mayor Wallach commented that the flyer put out by the El Monteans for Responsible Government referred to the quint as a dinosaur, and asked if the quint is a dinosaur.

Chief Sherrill stated no, a quint is a piece of equipment that brings more flexibility when supported by other units. He commented that they are not closing any fire stations, the proposal is to keep the fire stations open.

Mayor Wallach commented on the present paramedic units, and asked if there will be support from other paramedic units.

Chief Sherrill stated yes, El Monte will be supported by the South El Monte paramedic units.

Discussion followed regarding location of paramedic stations, and support from mutual aid paramedic units.

Mayor Wallach commented that the City needs improved fire services, paramedic services, quint for the Fire Department, the utility tax and response time of emergency calls.

Councilmember Fellow made a motion, seconded by Mayor Wallach [illegible] of Los Angeles County Fire

Department Consolidation Contract. A-Org. File

Councilmember Thurston made a substitute motion to place this before the vote of the people.

Substitute motion died due to lack of a second.

Motion carried 4-1, Councilmember Thurston.

At the hour of 10:10 p.m., it was the consensus of the City Council to recess the El Monte City Council meeting.

At the hour of 10:25 p.m., the El Monte City Council meeting reconvened. All members were present.

information on these two items before making a decision.

City Attorney Gondek commented on the policy of filling vacancies in elected offices.

Councilmember Fellow made a motion, seconded by Councilmember Jimenez and carried 5-0 to continue Item Nos. G-2 and G-3 to August 26, 1997.

A-Org. File

G-4 City Attorney Gondek commented that there is a transpositional error in the caption of the resolution on line 7, and the word "fire" has to be added before the work "protection" on the last line of the first page of the resolution.

Councilmember Fellow made a motion, seconded by Councilmember Barrios for staff to make the two changes on the resolution as stated by the City Attorney.

Motion carried 4-1, Councilmember Thurston.

Councilmember Fellow made a motion, seconded by Councilmember Barrios and carried 5-0 to extend the City Council meeting to continue with the City Attorney's Agenda and Closed Session Deliberations.

A-Org. File

G-4 City Attorney Gondek presented, explained and read the title of Resolution No. 7790.

RESOLUTION NO. 7790

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL MONTE, CALIFORNIA, APPROVING THE AGREEMENT FOR SERVICES BY AND BETWEEN THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY AND THE CITY OF EL MONTE TO BE EFFECTIVE ON THE DATE OF APPROVAL BY THE BOARD OF SUPERVISORS OF LOS ANGELES COUNTY AND REQUESTING THE BOARD OF SUPERVISORS OF LOS ANGELES COUNTY TO SUBMIT AN APPLICATION TO THE LOCAL AREA FORMATION COMMISSION FOR THE ANNEXATION OF THE CITY OF EL MONTE TO THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY.

Councilmember Fellow made a motion, seconded by Mayor Wallach that further reading of Resolution No. 7790 be waived. Roll call showed the following:

AYES: Mayor Wallach, Councilmembers Barrios, Fellow, Jimenez and Thurston

NOES: None

ABSENT: None

Councilmember Fellow made a motion, seconded by Councilmember Barrios that Resolution No. 7790 be adopted. Roll call showed the following:

AYES: Mayor Wallach, Councilmembers Barrios, Fellow, and Jimenez

NOES: Councilmember Thurston

ABSENT: None

A-Org. Fire

G-5 City Attorney Gondek stated that on page 2, Section 3 of this proposed joint resolution, the date to interlineate is August 12, 1997.

Councilmember Fellow made a motion, seconded by Councilmember Jimenez to interlineate the date of August 12, 1997 on Section 3, Page 2 of the joint resolution.

Motion carried 4-1, Councilmember Thurston.

City Attorney Gondek presented, explained and read the title of Resolution No. 7791.

RESOLUTION NO. 7791

JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES AND THE CITY COUNCIL OF THE CITY OF EL MONTE APPROVING AND ACCEPTING EXCHANGE OF PROPERTY TAX REVENUES RESULTING FROM ANNEXATION NO. 97-2 TO THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY, SAN GABRIEL VALLEY PARCEL NO. 97-2, IN THE CITY OF EL MONTE.

Councilmember Fellow made a motion, seconded by Councilmember Jimenez that further reading of Resolution No. 7791 be waived. Roll call showed the following:

AYES: Mayor Wallach, Councilmembers Barrios, Fellow, Jimenez and Thurston

NOES: None

ABSENT: None

Councilmember Fellow made a motion, seconded by Councilmember Jimenez that Resolution No. 7791 be adopted. Roll call showed the following:

AYES: Mayor Wallach, Councilmembers Barrios, Fellow and Jimenez

NOES: Councilmember Thurston

ABSENT: None

F-738

G-6 City Attorney Gondek presented the Restated Amendment No. 1 to the 1996 MOU (Firefighters Local 1014), and explained the technical amendment. He further commented on a typographical error on page 3, Section 4, "Fire Protection District Vacation Leave Benefit cannot be [illegible] than Two Hundred hours", it should

Councilmember Fellow made a motion, seconded by Councilmember Barrios to approve the Restated Amendment No. 1 to the 1996 MOU (Firefighters Local 1014) with the changes stated by the City Attorney.

Motion carried 4-1, Councilmember Thurston. F-738

G-7 City Attorney Gondek presented and explained the Amendment No. 1 to the 1996 MOU (Fire Managers' Association).

Councilmember Fellow made a motion, seconded by Councilmember Barrios to approve the Amendment No. 1 to the 1996 MOU (Fire Managers' Association) with the changes stated by the City Attorney.

Motion carried 4-1, Councilmember Thurston. F-2407

G-8 City Attorney Gondek presented a memorandum dated August 6, 1997 regarding Recommendation Regarding Coordination of Cost Accounting for Environmental Investigation and other Potentially Recoverable "Response Costs".

Councilmember Jimenez asked how to keep San Gabriel Valley Water out of El Monte City water.

City Attorney Gondek commented that the City of El Monte Water Department facilities are separate from the water utility operations of other public agencies and invested utility companies. There are some interconnections between some of the sister systems but typically those interconnections are closed.

Discussion followed regarding the water supply and the different water companies.

Councilmember Thurston made a motion, seconded by Councilmember Fellow and carried 5-0 to receive and file report. F-2416

G-9 City Attorney Gondek presented a memorandum dated August 6, 1997 regarding Subsurface Environmental Hazard Investigation Studies Affecting Two Properties (Proposals for Consulting Environmental Engineering Services).

Mayor Wallach made a motion, seconded by Councilmember Fellow and carried 5-0 to approve the proposal. F-2407

G-10 City Attorney Gondek presented a memorandum dated August 4, 1997 regarding Annual Performance Review by the City of El Monte of Services Provided by Waste Management under the Residential Municipal Solid Waste Collection, Recycling, Transport and Disposal Franchise. The recommendation is that the City Council approves City staff to retain Municipal Resource Consultants to perform the review for a total cost of $13,000.00. Some of the cost can be allocated to the AB939 funds.

Councilmember Barrios made a motion, seconded by Councilmember Fellow and carried 5-0 to approve staff's recommendation.

City of El Monte

Interdepartmental Communication
Finance Department

August 3, 2000

To: Harold O. Johanson, City Manager

From: Sharon A. Fiske, Finance Director

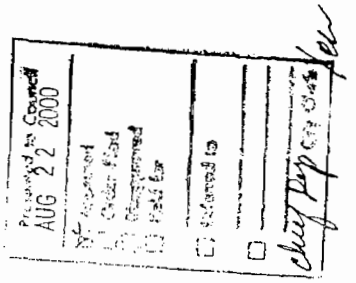
Subject: **Amendment to Agreement For Services**
Los Angeles County Fire District

In May of this year, the Los Angeles County Fire District notified the City of certain policy changes relating to its contract cities. The *"Repairs and Maintenance Policy"* had been increased from $20,000 to $25,000 per year to be paid by the County. The *"Conversion Cost Repayment Policy"* had been changed from a three-year repayment to a five-year repayment. This extended repayment time presented three options from which we could choose for repayment of the remaining costs (see attached). During the budget meetings, we decided to choose Option One, which gives the largest budget savings "up front" in year 2000/01.

Our choice was communicated to the Fire District, and the following *"Amendment Number One"* to the Agreement for Services by and between the City of El Monte and the Consolidated Fire Protection District of Los Angeles County must now be presented to the City Council for approval.

Recommendation:
That the *"Amendment Number One"* to the Agreement for Services by and between the City of El Monte and the Consolidated Fire Protection District of Los Angeles County be approved, for a budget savings to the General Fund of $207,696 in fiscal year 2000/01.

cc: Jimmy L. Gutierrez, Attorney



7.03

LOS ANGELES COUNTY FIRE DEPARTMENT
CONVERSION COST PAYMENT ANALYSIS (1)
CITY OF EL MONTE

Fiscal Year	Option 1	Option 2	Option 3
Total Cost	**$623,089**	**$623,089**	**$623,089**
1998-99 (2)	$138,464	$138,464	$138,464
1999-00	$207,696	$207,696	$207,696
Total Paid To-Date	**$346,160**	**$346,160**	**$346,160**
2000-01	$0	$83,076	$207,696
2001-02	$114,235	$83,076	$69,233
2002-03	$124,620	$83,076	$0
2003-04	$38,074	$27,701	$0
Total Remaining	**$276,929**	**$276,929**	**$276,929**

(1) Analysis reflects the Fiscal Year in which the City's payment is due and not the period in which the District bills.

(2) City of El Monte paid 8 months of conversion costs (11/98 - 06/99).

Option 1: Recalculates the original conversion costs over 60 months. City has "overpaid" to-date and will have a payment hiatus until July 2001, and thereafter pay $10,385 per month until September 2003 with a final payment of $6,919 due in October 2003.

Option 2: Spreads the remaining balance due over the remaining months left of the 60 month payment period. City paid 20 months, leaving 40 months of payment at $6,923 per month until September 2003 with a final payment of $6,932 due in October 2003.

Option 3: Current plan. Payment over 36 months at $17,308 per month until September 2001 with a final payment of $17,309 due in October 2001.

COUNTY OF LOS ANGELES
FIRE DEPARTMENT
1320 NORTH EASTERN AVENUE
LOS ANGELES, CALIFORNIA 90063-3294

(323) 881-2401

P. MICHAEL FREEMAN
FIRE CHIEF
FORESTER & FIRE WARDEN

July 26, 2000

Harold O. Johanson, City Manager
City of El Monte
11333 Valley Blvd.
El Monte, CA 91731

Dear Mr. Johanson:

SUBJECT: AMENDMENT NUMBER ONE TO THE AGREEMENT FOR SERVICES

Pursuant to the letter dated June 13, 2000, from Sharon Fiske, we have prepared an amendment to the Agreement for Services by and between the Consolidated Fire Protection District of Los Angeles County and the City of El Monte to modify the fire station maintenance and conversion cost payment provisions.

Enclosed are two originals of Amendment Number One for your City Council's approval. Upon execution by your City Council, please return both originals to me so that they can be submitted to the Board of Supervisors (Board) for their approval. Upon execution by the Board, I will have one originally executed copy returned to you for your records.

If you have any questions regarding Amendment Number One, please contact Barbara Herrera, Head, Planning Section at (323) 881-2404.

Very truly yours,

P. MICHAEL FREEMAN

PMF:lb

Enclosures

AMENDMENT NUMBER ONE

TO THE AGREEMENT FOR SERVICES BY AND BETWEEN THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY AND THE CITY OF EL MONTE

THIS AGREEMENT is made and entered into this _____ day of _____, _____, by and between the CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY, hereinafter referred to as the "DISTRICT," and the CITY OF EL MONTE, hereinafter referred to as the "CITY" to amend the Agreement for Services By and Between the Consolidated Fire Protection District of Los Angeles County and the City of El Monte dated November 25, 1997 (Agreement No. 71136), hereinafter referred to as "Agreement for Services".

W I T N E S S E T H

WHEREAS, the CITY and DISTRICT have entered the Agreement for Services pursuant to which the DISTRICT provides fire protection, hazardous materials, emergency medical, and all related services to the CITY; and

WHEREAS, the Agreement for Services contains provisions for the payment by the CITY to the DISTRICT for conversion costs associated with the transfer of fire protection and related services within the CITY to the DISTRICT; and

WHEREAS, the Agreement for Services contains provisions for fire station maintenance and repair costs; and

WHEREAS, the CITY and the DISTRICT desire to amend the provisions of the Agreement for Services regarding the payment of conversion costs and fire station maintenance and repair costs.

NOW, THEREFORE, IN CONSIDERATION of the promises, covenants, representations and agreements set forth herein, the parties mutually agree as follows:

1. SECTION III, PARAGRAPH F, is amended to read as follows:

F. With the exception of the lease/purchase of the Quint, all other actual conversion costs as specified in Schedule 2 as approved by the FIRE CHIEF and CITY MANAGER shall be charged to CITY and shall be paid in fifty-nine (59) equal monthly

payments of $10,385 each, which amount shall be added to the monthly invoices for the Annual Fee, with a final payment of $6,919 due in October 2003. Since to date the City has made conversion cost payments equivalent to thirty-three (33) months, City's next conversion cost payment will be invoiced in July 2001 and due to the District in August 2001. City will be invoiced every month thereafter through September 2003 with the final payment due in October 2003.

II. SECTION V, PARAGRAPH D is amended to read as follows:

D. DISTRICT shall perform all routine, day-to-day maintenance and minor repairs (collectively referred to as "routine repairs") on all fire stations leased from CITY identified on Schedule 3 attached hereto. DISTRICT shall be responsible for routine repairs not to exceed $25,000 per fire station during the first year of this Agreement. For the second through fifth years of this Agreement, the DISTRICT's annual maximum share shall be as follows:

Year 2	$26,250
Year 3	$27,563
Year 4	$28,941
Year 5	$30,388

DISTRICT shall notify CITY in writing if the total cost for routine repairs for any of the CITY fire stations in any one year is anticipated to exceed the DISTRICT's annual maximum share for that year in accordance with paragraph (D) herein. If DISTRICT expends less than DISTRICT's annual maximum share on any fire station in any year, any amount less than DISTRICT's annual maximum share for such fire station shall not be credited against another fire station, nor shall it be carried over from year to year. Routine repairs shall include but not be limited to the following: repair or replacement of apparatus room doors; floor replacement; ceiling replacement; incidental plumbing and electrical repairs; heating and air conditioning repairs; exhaust fan replacement; etc.; and minor remodeling such as shower refurbishment, installation of stainless steel countertops, and additional cabinets for offices and/or lockers. All repairs or portions thereof in excess of DISTRICT'S annual maximum share, per year,

shall be the responsibility of the CITY.

Any non-routine repairs hereinafter shall be referred to as "major repairs" and shall be identified, in writing, by the DISTRICT and presented to CITY. In the event of a dispute regarding the existence of major repairs, the general arbitration procedures stated in Section III (N) shall be utilized. Major repairs shall be undertaken by the CITY within twelve (12) months of DISTRICT's notification to CITY, or other time period as mutually agreed upon by DISTRICT FIRE CHIEF and CITY MANAGER, unless said major repair is deemed an emergency, hereinafter referred to as "emergency major repair."

Emergency major repair shall be defined as one that if left unrepaired would compromise the health, welfare, or security of the fire station inhabitants or the public, as determined by DISTRICT. DISTRICT shall commence emergency major repairs immediately after notification by DISTRICT to CITY's designated emergency contact person. CITY shall provide DISTRICT with the name and telephone number of a designated contact person for such emergency contacts which may be after hours. DISTRICT will undertake the necessary emergency major repairs and invoice the CITY for the costs of repairs. CITY shall be invoiced for one-twelfth (1/12) of the cost of such repairs monthly for a period of twelve (12) months. All invoices for emergency major repairs undertaken by the DISTRICT shall be due and payable thirty (30) days from the date of invoice and shall be subject to the terms contained in Section III (K) and (N) herein.

DISTRICT FIRE CHIEF may authorize improvements to any CITY fire station for DISTRICT benefit at no cost to the CITY. Improvements to the stations for DISTRICT benefit shall not be subject to the provisions regarding annual routine repairs as contained herein.

Beginning the sixth year of this Agreement, the DISTRICT shall assume all fire station maintenance costs.

III. All other terms and conditions of the Agreement for Services shall remain the same and in full force and effect.

IN WITNESS WHEREOF, CITY, by Resolution adopted by its City Council, has caused this Agreement to be executed by its Mayor and attested to by its Clerk; pursuant to action by a majority vote of the Board of Supervisors, as governing body of DISTRICT, the Chair has executed this Agreement on behalf of DISTRICT and which execution has been attested to by its Clerk.

CITY OF EL MONTE	**CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY**
Rachel Morte	
Mayor	Chair, Board of Supervisors
ATTEST:	ATTEST:
	VIOLET VARONA-LUKENS, Executive Officer Clerk of the Board of Supervisors
By Lorena Gutierrez	By
City Clerk	Deputy
(SEAL)	(SEAL)
APPROVED AS TO FORM:	APPROVED AS TO FORM:
	LLOYD W. PELLMAN County Counsel
By	By
City Attorney	Deputy

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CITY OF EL MONTE
FINANCE DEPARTMENT
11333 VALLEY BOULEVARD • EL MONTE, CA 91731-3293
(626) 580-2023 • FAX (626) 443-2304

Certified Mail

August 23, 2000

P. Michael Freeman
Fire Chief
County of Los Angeles Fire Department
1320 North Eastern Avenue
Los Angeles, CA 90063-3294

8/22/00 mtg.

Re: *Amendment Number One to the Agreement for Services*

Dear Chief Freeman:

I enclose herewith both original copies of Amendment Number One to the Agreement for Fire Services between the City of Los Angeles and the County of Los Angeles Fire District. This amendment was approved by our governing board at last night's Council meeting, and the copies have been signed by our Mayor and City Clerk, as required. Please submit them to your Board of Supervisors for approval and return one executed copy to my attention here in the Finance Department.

Thank you.

Sharon A. Fiske

Sharon A. Fiske
Finance Director

Enclosure

C: *Harold O. Johanson, City Manager*
City Clerk's Office

AMENDMENT NUMBER ONE

TO THE AGREEMENT FOR SERVICES BY AND BETWEEN THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY AND THE CITY OF EL MONTE

THIS AGREEMENT is made and entered into this 22nd day of August, 2000, by and between the CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY, hereinafter referred to as the "DISTRICT," and the CITY OF EL MONTE, hereinafter referred to as the "CITY" to amend the Agreement for Services By and Between the Consolidated Fire Protection District of Los Angeles County and the City of El Monte dated November 25, 1997 (Agreement No. 71136), hereinafter referred to as "Agreement for Services".

WITNESSETH

WHEREAS, the CITY and DISTRICT have entered the Agreement for Services pursuant to which the DISTRICT provides fire protection, hazardous materials, emergency medical, and all related services to the CITY; and

WHEREAS, the Agreement for Services contains provisions for the payment by the CITY to the DISTRICT for conversion costs associated with the transfer of fire protection and related services within the CITY to the DISTRICT; and

WHEREAS, the Agreement for Services contains provisions for fire station maintenance and repair costs; and

WHEREAS, the CITY and the DISTRICT desire to amend the provisions of the Agreement for Services regarding the payment of conversion costs and fire station maintenance and repair costs.

NOW, THEREFORE, IN CONSIDERATION of the promises, covenants, representations and agreements set forth herein, the parties mutually agree as follows:

1. SECTION III, PARAGRAPH F, is amended to read as follows:

F. With the exception of the lease/purchase of the Quint, all other actual conversion costs as specified in Schedule 2 as approved by the FIRE CHIEF and CITY MANAGER shall be charged to CITY and shall be paid in fifty-nine (59) equal monthly

payments of $10,385 each, which amount shall be added to the monthly invoices for the Annual Fee, with a final payment of $6,919 due in October 2003. Since to date the City has made conversion cost payments equivalent to thirty-three (33) months, City's next conversion cost payment will be invoiced in July 2001 and due to the District in August 2001. City will be invoiced every month thereafter through September 2003 with the final payment due in October 2003.

II. SECTION V, PARAGRAPH D is amended to read as follows:

D. DISTRICT shall perform all routine, day-to-day maintenance and minor repairs (collectively referred to as "routine repairs") on all fire stations leased from CITY identified on Schedule 3 attached hereto. DISTRICT shall be responsible for routine repairs not to exceed $25,000 per fire station during the first year of this Agreement. For the second through fifth years of this Agreement, the DISTRICT's annual maximum share shall be as follows:

Year 2	$26,250
Year 3	$27,563
Year 4	$28,941
Year 5	$30,388

DISTRICT shall notify CITY in writing if the total cost for routine repairs for any of the CITY fire stations in any one year is anticipated to exceed the DISTRICT's annual maximum share for that year in accordance with paragraph (D) herein. If DISTRICT expends less than DISTRICT's annual maximum share on any fire station in any year, any amount less than DISTRICT's annual maximum share for such fire station shall not be credited against another fire station, nor shall it be carried over from year to year. Routine repairs shall include but not be limited to the following: repair or replacement of apparatus room doors; floor replacement; ceiling replacement; incidental plumbing and electrical repairs; heating and air conditioning repairs; exhaust fan replacement; etc.; and minor remodeling such as shower refurbishment, installation of stainless steel countertops, and additional cabinets for offices and/or lockers. All repairs or portions thereof in excess of DISTRICT'S annual maximum share, per year,

shall be the responsibility of the CITY.

Any non-routine repairs hereinafter shall be referred to as "major repairs" and shall be identified, in writing, by the DISTRICT and presented to CITY. In the event of a dispute regarding the existence of major repairs, the general arbitration procedures stated in Section III (N) shall be utilized. Major repairs shall be undertaken by the CITY within twelve (12) months of DISTRICT's notification to CITY, or other time period as mutually agreed upon by DISTRICT FIRE CHIEF and CITY MANAGER, unless said major repair is deemed an emergency, hereinafter referred to as "emergency major repair."

Emergency major repair shall be defined as one that if left unrepaired would compromise the health, welfare, or security of the fire station inhabitants or the public, as determined by DISTRICT. DISTRICT shall commence emergency major repairs immediately after notification by DISTRICT to CITY's designated emergency contact person. CITY shall provide DISTRICT with the name and telephone number of a designated contact person for such emergency contacts which may be after hours. DISTRICT will undertake the necessary emergency major repairs and invoice the CITY for the costs of repairs. CITY shall be invoiced for one-twelfth (1/12) of the cost of such repairs monthly for a period of twelve (12) months. All invoices for emergency major repairs undertaken by the DISTRICT shall be due and payable thirty (30) days from the date of invoice and shall be subject to the terms contained in Section III (K) and (N) herein.

DISTRICT FIRE CHIEF may authorize improvements to any CITY fire station for DISTRICT benefit at no cost to the CITY. Improvements to the stations for DISTRICT benefit shall not be subject to the provisions regarding annual routine repairs as contained herein.

Beginning the sixth year of this Agreement, the DISTRICT shall assume all fire station maintenance costs.

III. All other terms and conditions of the Agreement for Services shall remain the same and in full force and effect.

IN WITNESS WHEREOF, CITY, by Resolution adopted by its City Council, has caused this Agreement to be executed by its Mayor and attested to by its Clerk; pursuant to action by a majority vote of the Board of Supervisors, as governing body of DISTRICT, the Chair has executed this Agreement on behalf of DISTRICT and which execution has been attested to by its Clerk.

CITY OF EL MONTE	**CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY**
Rachel Montes	_____
Mayor	Chair, Board of Supervisors
ATTEST:	ATTEST:
	VIOLET VARONA-LUKENS, Executive Officer Clerk of the Board of Supervisors
By Lorena Martinez	By _____
City Clerk	Deputy
(SEAL)	(SEAL)
APPROVED AS TO FORM:	APPROVED AS TO FORM:
	LLOYD W. PELLMAN County Counsel
By _____	By _____
City Attorney	Deputy

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City of El Monte
Interdepartmental Communication
Administrative Services

For the Meeting of February 6, 2007

To: Mayor Gutierrez and City Council Members

From: James W. Mussenden, City Manager
Dante G. Hall, Assistant City Manager

By: Kriste M. Saldaña, Assistant Finance Director

Subject: **LOS ANGELES COUNTY FIRE CONTRACT AMENDMENT**

BACKGROUND:

On November 25, 1997, the City entered into a ten (10) year agreement with Los Angeles County for fire protection services commencing March 16, 1998. During the FY 2006/07 budget meeting process, a fire services contract committee was formed in order to facilitate the negotiation of a reduction in fire services with Los Angeles County.

According to the most recent proposal from Los Angeles County, the Fire District will pay the cost of one firefighter post assigned to Station 166 for a period of six months from the effective date of the contract amendment, during which time the quint will remain in the City. Based on the estimated FY 2006/07 costs, there will be a reduction in the City's annual fee of $287,793. If the City, within this six month period, requests the District to commence negotiations for an extended five (5) year minimum term contract, the Fire District will continue to pay the cost of the one firefighter position for an additional six month period to allow time for negotiations to be completed and continuation of the contract to be approved by both the City and District. Based on estimated FY 2006/07 costs, there would be an additional reduction of $287,793 for a savings of $575,586 over the two six month periods. In addition, the position and associated fee for the Fire Prevention Inspector would be permanently reduced to 80% with the inspector spending 20% of his/her time outside the City. Based on estimated FY 2006/07 costs, there would be an annual reduction of $39,050. Based on a projected effective date of March 1, 2007, these combined reductions would provide an estimated savings to the City of $627,653, based on estimated FY2006/07 costs. The actual savings would not be known until the District's actual costs are adjusted to final FY 2006/07 and 2007/08 costs.

The attached spreadsheet outlines the historical contract costs over the last five years of the contract. The box on the left shows revised and estimated costs if no

changes were made to the contract, the box on the right outlines the cost savings proposed by the Fire District.

FISCAL IMPACT:

This amendment would result in a total estimated reduction of $627,653 in general fund expenditures over the next two fiscal years.

RECOMMENDATION:

Staff recommends approval of the contract amendment with Los Angeles County Fire.

FEB - 6 2007

PRESENTED TO EL MONTE CITY COUNCIL

☒ APPROVED
☐ DENIED 5-0
☐ TABLED
☐ RECEIVE AND FILE
☐ CONTINUED

☐ REFERRED TO

CHIEF DEPUTY CITY CLERK

Fire contract price increase

			With no closure of a fire station				Fire Department 12/06/06 Proposal			
	2003-04	2004-05	2005-06	2006-07	Revised 2006-07	Estimated 2007-08	2005-06	2006-07	Revised 2006-07	Estimated 2007-08
Actual Annual Fee	8,638,973	8,806,233	9,276,495	9,652,689	10,078,395	10,990,490	9,276,495	9,652,689	9,873,516	10,567,715
% Increase from Previous Fiscal Year	6.47%	1.94%	5.34%	4.06%	8.64%	9.05%	5.34%	4.06%	6.44%	7.03%
Annual Fee Limitation Excess Rollover		26,208	0	15,860	15,860	331,672	0	15,860	15,860	126,793
Estimated Annual Fee before Adjustment	8,638,973	8,832,441	9,276,495	9,668,549	10,094,255	11,322,162	9,276,495	9,668,549	9,889,376	10,694,509
Annual Fee Cap Percentage (1)	6.15%	6.06%	5.16%	5.24%	5.24%	6.25%	5.16%	5.24%	5.24%	5.81%
Annual Fee Limitation (% cap applied to prior year actual annual fee)	8,612,765	9,162,569	9,260,635	9,762,583	9,762,583	10,708,295	9,260,635	9,762,583	9,762,583	10,447,168
Annual Fee Limitation Excess (2)	26,208	0	15,860	0	331,672	613,867	15,860	0	126,793	247,341
Adjusted Actual Annual Fee	8,612,765	8,632,441	9,260,635	to be determined	9,762,583	10,708,295	9,260,635	to be determined	9,762,583	10,447,168
Less: Retirement Savings	(186,586)	(211,757)	(194,975)	to be determined	(23,639)	to be determined	(194,975)	to be determined	(23,639)	to be determined
Less: Retiree Health Insurance	(31,641)	(26,015)	(41,554)	to be determined	(49,883)	to be determined	(41,554)	to be determined	(49,883)	to be determined
Actual Net City Cost	8,414,538	8,594,669	9,024,106	0	9,689,061	10,708,295	9,024,106	0	9,689,061	10,447,168
Estimated Annual Fee	8,396,639	8,854,713	9,221,405	9,668,549	9,668,549	10,708,295	9,221,405	9,668,549	9,668,549	10,447,168
Less: Retirement Savings	(171,087)	(172,103)	(221,347)	(22,642)	(22,642)	0	(221,347)	(22,642)	(22,642)	0
Less: Retiree Health Insurance	(32,657)	(39,374)	(37,311)	(47,712)	(47,712)	0	(37,311)	(47,712)	(47,712)	0
Estimated Net City Cost	8,192,895	8,643,236	8,962,747	9,598,195	9,598,195	10,708,295	8,962,747	9,598,195	9,598,195	10,447,168
Prior Year Fee Adjustment (3)	0	221,643	0	61,359	61,359	90,866	0	61,359	61,359	94,034
Current yer Fee Adjustment (4)	0	(48,567)	0	to be determined	to be determined					
Conversion Costs (5)	38,074	0	0	0	0					
Lease Payment - Quint (6)	84,036	84,036	28,012	0	0		28,012	0	0	0
Paramedic Pass-thru Fee Credit (7)	(90,854)	(88,745)	to be determined	to be determined	to be determined	to be determined	to be determined	to be determined	to be determined	to be determined
Total Net City Payment	8,224,151	8,811,603	8,990,759	9,659,554	9,659,554	10,799,181	8,990,759	9,659,554	9,659,554	10,541,202
Variance from Current Contract									(204,879)	(422,774)
% Increase from Prior Year			2.03%	7.44%	7.44%	11.60%	2.03%	7.44%	7.44%	9.13%
Increase Amount from Prior Year			179,156	668,795	868,795	1,139,607	179,156	668,795	668,795	881,648

(1) Beginning in 2002-2003, % cap determined by taking the average of the immediately preceding five years' actual annual fee % increases plus 1%
(2) Amount the is deferred to a subsequent future fiscal year(s)
(3) Formula: Prior Year "Actual" minus Prior Year "Estimated" Net City Cost
(4) Formula: Current year "Actual" minus Current Year "Estimated" Net City Cost
(5) To be paid in 60 months as amended in October 2000 Final payment of conversion costs will be included in invoice for 10/03
(6) Paid in 84 months starting 11/98 thru 10/05
(7) Credits are posted directly to the monthly city billings based on actual revenue received from the ambulance companies. Actual year-end totals will not be available until the end of the fiscal year.

salary increase:		Rate	annualized	variance added to following yr	annual inc	variance from base contract price inc	avg inc other than salary
4/1/2005	2004-05	3.00%	0.75%	2.25%	1.94%	1.19%	
12/1/2005	2005-06	2.00%	1.17%	0.83%	5.34%	1.92%	
07/01/06	2006-07	3.00%					
10/01/06	2006-07	4.00%					
** 4/1/2007	2006-07	5.50%	7.38%	5.12%	8.64%	0.43%	1.18%
08/01/07	2007-08	3.00%	2.75%	0.25%			
08/01/08	2008-09	3.00%	2.75%	0.25%			

** Only fire personnel on top step for one year plus are eligible

COUNTY OF LOS ANGELES
FIRE DEPARTMENT
1320 NORTH EASTERN AVENUE
LOS ANGELES, CALIFORNIA 90063-3294
(323) 881-2401

P. MICHAEL FREEMAN
FIRE CHIEF
FORESTER & FIRE WARDEN

May 4, 2007

Kriste Saldana, Assistant Finance Director
City of El Monte
11333 Valley Boulevard
El Monte, CA 91731

Dear Ms. Saldana:

Enclosed for your records is a certified copy of Amendment Number Two to the Agreement for Services by and Between the Consolidated Fire Protection District of Los Angeles County and the City of El Monte as approved by the Board of Supervisors on February 20, 2007.

Typically a fully executed original would have been provided to you shortly after the Board hearing date. Unfortunately there appears to have been a mix up in the disposition of both our and your originals once they were signed and forwarded by the Board Office back to us. I apologize for any inconvenience this delay may have caused. When your original is located we will promptly deliver it to you.

You may contact me at (323) 881-2404 if you have any questions.

Very truly yours,

DEBBIE AGUIRRE, CHIEF
PLANNING DIVISION

DA:lb

SACHI A. HAMAI
EXECUTIVE OFFICER

COUNTY OF LOS ANGELES
BOARD OF SUPERVISORS

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 383
LOS ANGELES, CALIFORNIA 90012
(213) 974-1411 • FAX (213) 620-0636

MEMBERS OF THE BOARD

GLORIA MOLINA
YVONNE B. BURKE
ZEV YAROSLAVSKY
DON KNABE
MICHAEL D. ANTONOVICH

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I, SACHI A. HAMAI, Executive Officer-Clerk of the Board of Supervisors of the County of Los Angeles, do hereby certify that the attached is a full, true and correct copy of Minute Order No. 22 including: a Minute Communication; a Board Letter; and Amendment No. 2 to Agreement 71136, an agreement for services by and between the Consolidated Fire Protection District of Los Angeles County and the City of El Monte; adopted on February 20, 2007 by the Board of Supervisors of the County of Los Angeles, and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the County of Los Angeles this 27th day of April, 2007.

SACHI A. HAMAI, Executive Officer-
Clerk of the Board of Supervisors of the County of Los Angeles.

By _____
Deputy

SAH:bc:cert.51

COUNTY OF LOS ANGELES
FIRE DEPARTMENT
1320 NORTH EASTERN AVENUE
LOS ANGELES, CALIFORNIA 90063-3294
(323) 881-2404

P. MICHAEL FREEMAN
FIRE CHIEF
FORESTER & FIRE WARDEN

February 20, 2007

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

Dear Supervisors:

AMENDMENT NUMBER TWO TO THE AGREEMENT FOR SERVICES BETWEEN THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY AND THE CITY OF EL MONTE (1ST DISTRICT) (3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD, ACTING IN ITS CAPACITY AS THE BOARD OF DIRECTORS OF THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY:

1) Find that Amendment Number Two to the Agreement for Services By and Between the Consolidated Fire Protection District of Los Angeles County (District) and the City of El Monte (City) is exempt from the California Environmental Quality Act.

2) Approve and instruct the Chairman to sign Amendment Number Two to the Agreement for Services which modifies the funding of staffing within the City and authorizes future modifications to the staffing levels in the City to be made by mutual agreement of the City Council and District Fire Chief to be effective upon Board approval.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On November 25, 1997, your Honorable Board adopted an Agreement for Services between the District and the City (Agreement No. 71136). On October 3, 2000, your Board adopted Amendment Number One to the Agreement for Services which modified

the fire station maintenance policy and conversion costs repayment provisions of the Agreement. The City will have fulfilled the minimum 10-year term of the Agreement in March 2008.

This Amendment Number Two will make additional changes to the Agreement as follows:

- Establishes a temporary cost share of one hundred percent (100%) of one Fire Fighter post position on Quint 166 (Q166) by the District for a minimum of six months. This temporary cost share is consistent with the use of Q166 on emergencies outside of the City. If the City agrees to negotiate an additional five-year extension to the Agreement term, the District's cost share will continue an additional six months, or if negotiations continue beyond six months, the cost share can continue at the Fire Chief's discretion. If negotiations for a contract extension are unsuccessful, the cost-share will terminate and the District will evaluate its service requirements in the region and recommend any changes to your Board, as appropriate.

- Reduces the City's cost for the Area Fire Prevention Inspector assigned to the City by twenty percent (20%). At the beginning of the Agreement term, the City was assigned one full-time Area Fire Prevention Inspector. Due to changes in the workload in the City, the Area Fire Prevention Inspector now spends approximately eighty percent (80%) of his time on issues related to the City. Therefore, Amendment Number Two will adjust the amount charged to the City for this Area Fire Prevention Inspector from one hundred percent (100%) of the annual cost to eighty percent (80%) of the annual cost.

- Authorizes future staffing level changes in the City to be made by mutual approval of the District Fire Chief and the El Monte City Council.

Implementation of Strategic Plan Goals

Amendment Number Two addresses Goal No. 1, "Service Excellence," of the County's Strategic Plan which guides us to "Implement programs to improve the efficiency, quality, and responsiveness of County services to all residents."

FISCAL IMPACT/FINANCING

The District's cost for one hundred percent (100%) of a Fire Fighter post position and twenty percent (20%) of the Area Fire Prevention Inspector based on our Estimated Fiscal Year 2006-07 Salary and Employee Benefits costs would have been $468,286 had this Amendment been in effect the full Fiscal Year. The District's 2006-07 Adopted Budget includes sufficient funding to absorb the costs associated with this Amendment Number Two.

FACTS AND PROVISONS/LEGAL REQUIREMENTS

This Amendment Number Two to the Agreement for Services would provide for the following:

- Amends the Agreement to include:
  - -- a cost share by the District of one hundred percent (100%) of one Fire Fighter post position on Quint 166; and
  - -- a reduction of twenty percent (20%) of the cost of the Area Fire Prevention Inspector assigned to the City.
- Any future staffing level changes in the City to be made by mutual approval of the District Fire Chief and the El Monte City Council

On February 6, 2007, the El Monte City Council approved Amendment Number Two to the Agreement.

County Counsel has approved Amendment Number Two as to form.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Service levels in the City and the surrounding District areas will remain unchanged.

ENVIRONMENTAL DOCUMENTATION

This project is statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061 (b)(3) of the CEQA Guidelines as it addresses incidental matters related to the provision of services, and thus it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment.

CONCLUSION

Upon approval of Amendment Number Two to the Agreement, please instruct the Executive Officer of the Board to return two (2) signed originals and two copies of the agreement and two copies of this letter to the Consolidated Fire Protection District. We will forward one signed original to the City for their records.

Respectfully submitted,

P. MICHAEL FREEMAN

PMF:lb

Attachments (3)

c: Chief Administrative Officer
County Counsel
Auditor-Controller
Executive Officer, Board of Supervisors

AMENDMENT NUMBER TWO

TO THE AGREEMENT FOR SERVICES BY AND BETWEEN THE

CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY

AND THE CITY OF EL MONTE

This Amendment Number Two to the Agreement for Services is made and entered into this 20TH day of FEBRUARY, 2007, by and between the CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY, hereinafter referred to as the "DISTRICT," and the CITY OF EL MONTE, hereinafter referred to as the "CITY," to amend the Agreement for Services By and Between the Consolidated Fire Protection District of Los Angeles County and the City of El Monte dated November 25, 1997 (Agreement No. 71136) and as amended on October 3, 2000, hereinafter referred to as "Agreement for Services" or "Agreement".

71136 Supplement No. 2

WITNESSETH

WHEREAS, the CITY and DISTRICT have entered the Agreement for Services pursuant to which the DISTRICT provides fire protection, hazardous materials, emergency medical, and all related services to the CITY; and

WHEREAS, the Agreement for Services was amended on October 3, 2000, to modify certain provisions of the Agreement in regards to the payment of conversion costs and fire station maintenance and repairs; and

WHEREAS, the CITY and DISTRICT desire to further amend the Agreement to modify Schedule 1 to the Agreement in regards to the funding of staffing within the CITY and to authorize any future modifications to the staffing levels in the CITY to be made by mutual agreement of the City Council and the District Fire Chief.

NOW, THEREFORE, IN CONSIDERATION of the promises, covenants, representations and agreements set forth herein, the parties mutually agree as follows:

1. Schedule 1 of the Agreement for Services, Operation by District, shall be replaced with Amended Schedule 1, attached hereto and made a part hereof.

2. The Agreement for Services is hereby amended by modifying the following provisions:

A. SECTION II, paragraph (J), of the Agreement for Services shall be amended as follows:

(J) The CITY COUNCIL and DISTRICT FIRE CHIEF may mutually agree on modifications to the staffing levels in the CITY. Any agreed-upon adjustments in staffing may cause adjustments in the determination of the Annual Fee, and would be specified in a revised Amended Schedule 1.

B. SECTION III, paragraph (A) shall be amended to add the following two paragraphs:

(1) Upon the effective date of this Amendment Number Two, the date first written above, which is the date of approval by the last signatory to this Amendment, the Annual Fee calculation method shall be modified as specified in Amended Schedule 1, attached hereto and made a part hereof. The modifications to the Annual Fee calculation as indicated on Amended Schedule 1 reflect provisional funding by the DISTRICT of the annual cost of one (1) Firefighter post position on the quint company ("Firefighter") and twenty percent (20%) of the annual cost of the Area Fire Prevention Inspector assigned to the CITY. The partial funding by the DISTRICT for the Area Fire Prevention Inspector shall continue from year-to-year, and the Area Fire Prevention Inspector's hours assigned to the City shall be adjusted accordingly. The funding by the DISTRICT of the annual cost of one (1) Firefighter shall only continue for a 6-month period from the effective date of this Amendment Number Two. Thereafter, the CITY shall pay 100% of the annual cost of the Firefighter, unless the CITY has delivered a written request to the Fire Chief of the DISTRICT to commence negotiations between the CITY and the DISTRICT for a subsequent 5-year term extension of the Agreement for Services. If the DISTRICT receives such written notice from the CITY, the DISTRICT shall [illegible] cost of one (1) Firefighter for an additional

consecutive 6-month period. At the conclusion of the second six-month term, the CITY shall pay 100% of the annual cost of the Firefighter, unless such terms are superseded by a mutually agreed upon amendment to the Agreement for Services, which terms include an extended contract term. The Fire Chief, in his sole discretion, may continue to fund the DISTRICT's cost-share of the Firefighter beyond the two six-month periods if the CITY and the DISTRICT are continuing negotiations in good faith.

(2) Changes in the Annual Fee set forth in Amended Schedule 1 related to the Firefighter and the Area Fire Prevention Inspector shall be prorated commencing with the effective date of this Amendment Number Two, as provided herein, through the remainder of the 2006 – 2007 fiscal year, as follows:

> DISTRICT'S cost share of the Firefighter and the Area Fire Prevention Fire Inspector shall be determined by dividing the Annual Fee by 365 days (daily rate) and multipling the daily rate by the number of days remaining in the fiscal year as of the effective date of this Amendment Number Two.

C. Section XI is amended to read as follows:

(A) With the exception of Schedule 1, all schedules attached hereto and incorporated herein by reference will be subject to modification by mutual agreement of CITY MANAGER and DISTRICT FIRE CHIEF as needed after the effective date of this Amendment Number Two to the Agreement by both parties.

(B) Amended Schedule 1, attached hereto and incorporated herein by reference may be subject to modification in staffing level by mutual agreement of CITY COUNCIL and DISTRICT FIRE CHIEF as needed after the effective date of this Amendment Number Two to the Agreement for Services.

///

D. Section XIII is added to the Agreement and shall read as follows:

Section XIII. General Provisions

(A) Severability – In the event that any provision herein contained is held to be invalid, void, or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall in no way affect, impair or invalidate any other provision contained herein. If any such provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

(B) Waiver -- No breach of any provision hereof can be waived unless in writing. Waiver of any one breach of any provision shall not be deemed to be a waiver of any breach of the same or any other provision hereof.

(C) Entire Agreement – This Agreement constitutes the entire agreement between the parties relating to the subject matter of this Agreement, and supersedes any prior understanding whether oral or written and may be modified only by further written agreement between the parties hereto. The non-enforceability, invalidity or illegality of any provision of this Agreement shall not render the other provisions thereof unenforceable, invalid or illegal.

3. All other terms and conditions of the Agreement for Services shall remain the same and in full force and effect.

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IN WITNESS WHEREOF, CITY, by Resolution adopted by its City Council, has caused this Agreement to be executed by its Mayor and attested to by its Clerk; pursuant to action by a majority vote of the Board of Supervisors, as governing body of the DISTRICT, the Chairman has executed this Agreement on behalf of DISTRICT and which execution has been attested to by its Clerk.

CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY

By _____
Chairman, Board of Supervisors

ATTEST:

SACHI A. HAMAI, Executive Officer
Clerk of the Board of Supervisors

By _____
Deputy

(SEAL)

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By _____
Deputy

CITY OF EL MONTE

_____
Ernest G. Gutierrez, Mayor

ATTEST:

By _____
Lorene Gutierrez, City Clerk

(SEAL)

APPROVED AS TO FORM:

E. CLARKE MOSELEY,
City Attorney

By _____

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Rev. 1-12-07

I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made.

SACHI A. HAMAI
Executive Officer

By _____
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

22 FEB 20 2007

SACHI A. HAMAI
EXECUTIVE OFFICER

CITY OF EL MONTE - DISTRICT ANNEXATION AGREEMENT
AMENDED SCHEDULE 1 (Effective February 20, 2007)

OPERATION BY DISTRICT
ESTIMATED 2006-07 ANNUAL FEE

Fire Operations:

Station	Equipment	Resource Staffing	Resource Cost	2006-07 Est. City Cost
166	Quint	4	2,048,625	1,610,091 (1)
167	Engine	3	1,610,091	1,610,091
	Squad	2	1,053,504	1,053,504
168	Engine	3	1,610,091	1,610,091
169	Engine	3	1,610,091	1,207,568 (2)
Total Staffing:		15		
Fire Prevention:				
FFS Inspector		0.8	148,758	119,006 (3)
Total Salary and Employee Benefits				$ 7,210,352
District Overhead 31.2524%				2,253,408
ESTIMATED 2006-2007 CITY ANNUAL FEE				**$9,463,760**

1) District will fund one firefighter post position for a 6-month period from the approval of the Amendment Number Two - net City cost is reflected. District funding may continue for an additional 6-month period pursuant to the terms of Amendment Number Two, Section 2.B.

2) District funds 25% of the resource cost - net city cost reflected.

3) The FFS Inspector will be assigned to duties for the City 80% of his/her time; 20% will be spent on duties outside the City. The City will fund 80% of the annual cost of this resource.

Note: Actual annual fees to be determined during final billing.

AMENDMENT NUMBER TWO

TO THE AGREEMENT FOR SERVICES BY AND BETWEEN THE

CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY

AND THE CITY OF EL MONTE

This Amendment Number Two to the Agreement for Services is made and entered into this ____ day of _____, 200__, by and between the CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY, hereinafter referred to as the "DISTRICT," and the CITY OF EL MONTE, hereinafter referred to as the "CITY," to amend the Agreement for Services By and Between the Consolidated Fire Protection District of Los Angeles County and the City of El Monte dated November 25, 1997 (Agreement No. 71136) and as amended on October 3, 2000, hereinafter referred to as "Agreement for Services" or "Agreement".

WITNESSETH

WHEREAS, the CITY and DISTRICT have entered the Agreement for Services pursuant to which the DISTRICT provides fire protection, hazardous materials, emergency medical, and all related services to the CITY; and

WHEREAS, the Agreement for Services was amended on October 3, 2000, to modify certain provisions of the Agreement in regards to the payment of conversion costs and fire station maintenance and repairs; and

WHEREAS, the CITY and DISTRICT desire to further amend the Agreement to modify Schedule 1 to the Agreement in regards to the funding of staffing within the CITY and to authorize any future modifications to the staffing levels in the CITY to be made by mutual agreement of the City Council and the District Fire Chief.

NOW, THEREFORE, IN CONSIDERATION of the promises, covenants, representations and agreements set forth herein, the parties mutually agree as follows:

1. Schedule 1 of the Agreement for Services, Operation by District, shall be replaced with Amended Schedule 1, attached hereto and made a part hereof.

2. The Agreement for Services is hereby amended by modifying the following provisions:

A. SECTION II, paragraph (J), of the Agreement for Services shall be amended as follows:

(J) The CITY COUNCIL and DISTRICT FIRE CHIEF may mutually agree on modifications to the staffing levels in the CITY. Any agreed-upon adjustments in staffing may cause adjustments in the determination of the Annual Fee, and would be specified in a revised Amended Schedule 1.

B. SECTION III, paragraph (A) shall be amended to add the following two paragraphs:

(1) Upon the effective date of this Amendment Number Two, the date first written above, which is the date of approval by the last signatory to this Amendment, the Annual Fee calculation method shall be modified as specified in Amended Schedule 1, attached hereto and made a part hereof. The modifications to the Annual Fee calculation as indicated on Amended Schedule 1 reflect provisional funding by the DISTRICT of the annual cost of one (1) Firefighter post position on the quint company ("Firefighter") and twenty percent (20%) of the annual cost of the Area Fire Prevention Inspector assigned to the CITY. The partial funding by the DISTRICT for the Area Fire Prevention Inspector shall continue from year-to-year, and the Area Fire Prevention Inspector's hours assigned to the City shall be adjusted accordingly. The funding by the DISTRICT of the annual cost of one (1) Firefighter shall only continue for a 6-month period from the effective date of this Amendment Number Two. Thereafter, the CITY shall pay 100% of the annual cost of the Firefighter, unless the CITY has delivered a written request to the Fire Chief of the DISTRICT to commence negotiations between the CITY and the DISTRICT for a subsequent 5-year term extension of the Agreement for Services. If the DISTRICT receives such written notice from the CITY, the DISTRICT shall continue funding the annual cost of one (1) Firefighter for an additional

consecutive 6-month period. At the conclusion of the second six-month term, the CITY shall pay 100% of the annual cost of the Firefighter, unless such terms are superseded by a mutually agreed upon amendment to the Agreement for Services, which terms include an extended contract term. The Fire Chief, in his sole discretion, may continue to fund the DISTRICT's cost-share of the Firefighter beyond the two six-month periods if the CITY and the DISTRICT are continuing negotiations in good faith.

(2) Changes in the Annual Fee set forth in Amended Schedule 1 related to the Firefighter and the Area Fire Prevention Inspector shall be prorated commencing with the effective date of this Amendment Number Two, as provided herein, through the remainder of the 2006 – 2007 fiscal year, as follows:

DISTRICT'S cost share of the Firefighter and the Area Fire Prevention Fire Inspector shall be determined by dividing the Annual Fee by 365 days (daily rate) and multipling the daily rate by the number of days remaining in the fiscal year as of the effective date of this Amendment Number Two.

C. Section XI is amended to read as follows:

(A) With the exception of Schedule 1, all schedules attached hereto and incorporated herein by reference will be subject to modification by mutual agreement of CITY MANAGER and DISTRICT FIRE CHIEF as needed after the effective date of this Amendment Number Two to the Agreement by both parties.

(B) Amended Schedule 1, attached hereto and incorporated herein by reference may be subject to modification in staffing level by mutual agreement of CITY COUNCIL and DISTRICT FIRE CHIEF as needed after the effective date of this Amendment Number Two to the Agreement for Services.

///

///

D. Section XIII is added to the Agreement and shall read as follows:

Section XIII. General Provisions

(A) Severability – In the event that any provision herein contained is held to be invalid, void, or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall in no way affect, impair or invalidate any other provision contained herein. If any such provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

(B) Waiver – No breach of any provision hereof can be waived unless in writing. Waiver of any one breach of any provision shall not be deemed to be a waiver of any breach of the same or any other provision hereof.

(C) Entire Agreement – This Agreement constitutes the entire agreement between the parties relating to the subject matter of this Agreement, and supersedes any prior understanding whether oral or written and may be modified only by further written agreement between the parties hereto. The non-enforceability, invalidity or illegality of any provision of this Agreement shall not render the other provisions thereof unenforceable, invalid or illegal.

3. All other terms and conditions of the Agreement for Services shall remain the same and in full force and effect.

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IN WITNESS WHEREOF, CITY, by Resolution adopted by its City Council, has caused this Agreement to be executed by its Mayor and attested to by its Clerk; pursuant to action by a majority vote of the Board of Supervisors, as governing body of the DISTRICT, the Chairman has executed this Agreement on behalf of DISTRICT and which execution has been attested to by its Clerk.

CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY

By _____
Chairman, Board of Supervisors

ATTEST:

SACHI A. HAMAI, Executive Officer
Clerk of the Board of Supervisors

By _____
Deputy

(SEAL)

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By _____
Deputy

F:/Users/El Monte/El Monte Amendment 2 -Final.doc
Rev 1-12-07

CITY OF EL MONTE

Ernest G. Gutierrez, Mayor

ATTEST:

By _____
Lorene Gutierrez, City Clerk

(SEAL)

APPROVED AS TO FORM:

E. CLARKE MOSELEY,
City Attorney

By _____

CITY OF EL MONTE - DISTRICT ANNEXATION AGREEMENT
AMENDED SCHEDULE 1 (Effective _____, 200_)

OPERATION BY DISTRICT
ESTIMATED 2006-07 ANNUAL FEE

Fire Operations:

Station	Equipment	Resource Staffing	Resource Cost	2006-07 Est. City Cost
166	Quint	4	2,048,625	1,610,091 (1)
167	Engine	3	1,610,091	1,610,091
	Squad	2	1,053,504	1,053,504
168	Engine	3	1,610,091	1,610,091
169	Engine	3	1,610,091	1,207,568 (2)
Total Staffing:		15		
Fire Prevention:				
FFS Inspector		0.8	148,758	119,006 (3)
Total Salary and Employee Benefits				$ 7,210,352
District Overhead 31.2524%				2,253,408
ESTIMATED 2006-2007 CITY ANNUAL FEE				**$9,463,760**

1) District will fund one firefighter post position for a 6-month period from the approval of the Amendment Number Two - net City cost is reflected. District funding may continue for an additional 6-month period pursuant to the terms of Amendment Number Two, Section 2.B.
2) District funds 25% of the resource cost - net city cost reflected.
3) The FFS Inspector will be assigned to duties for the City 80% of his/her time; 20% will be spent on duties outside the City. The City will fund 80% of the annual cost of this resource.

Note: Actual annual fees to be determined during final billing.

CITY OF EL MONTE

INTERDEPARTMENTAL COMMUNICATION
POLICE DEPARTMENT
November 10, 2008

TO: MAYOR AND EL MONTE CITY COUNCIL

FROM: JAMES W. MUSSENDEN, CITY MANAGER JWM
DANTE HALL, ASSISTANT CITY MANAGER

PREPARED BY: KEN WELDON, CHIEF OF POLICE KW/86
CLARKE MOSELEY, CITY ATTORNEY

SUBJECT: THIRD AMENDMENT TO AGREEMENT FOR SERVICES BY AND BETWEEN THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY AND THE CITY OF EL MONTE ANNEXATION AGREEMENT ("ANNEXATION AGREEMENT")

RECOMMENDATION

The City Manager recommends that the City Council approve Amendment Number Three to the Annexation Agreement and extend the term of the Annexation Agreement for an additional five years.

BACKGROUND

On November 27, 1997 the City of El Monte entered into an Agreement for Services with the Consolidated Fire Protection District of Los Angeles County. Since that time the Annexation Agreement was amended twice, once in 2000 and again in 2007.

DISCUSSION

The City thru the City Manager has negotiated Amendment Number Three to the Annexation Agreement. This Amendment Number Three is being brought to the City Council to reflect cost savings to the City in return for the Annexation Agreement being extended an additional five (5) years. The Annexation Agreement is currently on a year to year term. The following changes have been agreed upon by and between the parties:

NOV 18 2008

PRESENTED TO EL MONTE CITY COUNCIL
☒ APPROVED 5-0
☐ DENIED
☐ PULLED
☐ RECEIVE AND FILE
☐ CONTINUED
☐ REFERRED TO
CHIEF DEPUTY CITY CLERK

B47
10.03

A. Reduction of the staffing requirements:

Station	Equipment	Resource Staffing	Resource Cost	2008-09 Est. City Cost	Est Savings	Total Savings
166	Quint	4	2,171,448	1,938,069	233,379	
167	Engine	3	1,704,690	1,704,690	-0-	
167	Squad	2	1,128,870	1,128,870	-0-	
168	Engine	3	1,704,690	1,704,690	-0-	
169	Engine	3	1,704,690	852,345	852,345	
FFS Inspector		0.8	156,850	125,480	31,370	
						1,117.094

B	Rent to be paid for Training Tower, 2-Story Classroom Building and Parking Area located in back of Fire Station 166	197,000
	Total Savings Including Increased Revenue	$1,314,094

Our Fire Consultant, Jerry Wallace has reviewed the proposal. Mr. Wallace felt that the proposal accomplishes the cost savings goal of the City without affecting the level of service the District provides to the community.

FISCAL IMPACT

The proposal provides a cost savings to the City of approximately $1,314,094.

AMENDMENT NUMBER THREE

TO THE AGREEMENT FOR SERVICES BY AND BETWEEN THE

CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY

AND THE CITY OF EL MONTE

This **Amendment Number Three** to the Agreement for Services is made and entered into this _____ day of _____, 2008, by and between the CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY, hereinafter referred to as the "DISTRICT," and the CITY OF EL MONTE, hereinafter referred to as the "CITY," to amend the Agreement for Services by and between the Consolidated Fire Protection District of Los Angeles County and the City of El Monte dated November 25, 1997 (Agreement No. 71136) and as amended on October 3, 2000, and again on February 20, 2007, hereinafter referred to as "Agreement for Services".

W I T N E S S E T H

WHEREAS, the CITY and DISTRICT have entered the Agreement for Services pursuant to which the DISTRICT provides fire protection, hazardous materials, emergency medical, and all related services to the CITY; and

WHEREAS, the Agreement for Services was amended on October 3, 2000 and again on February 20, 2007, to modify certain provisions in regards to the payment of conversion costs and fire station maintenance and repair, the funding of staffing within the CITY, and future modifications to staffing levels; and

WHEREAS, the CITY and DISTRICT desire to further amend the Agreement for Services to extend its term an additional five (5) years; and

WHEREAS, the CITY and DISTRICT agree that CITY should be compensated a fair rent amount for use of the Training Facility located on the rear of the Fire Station 166 property which is used by DISTRICT for regional training purposes.

WHEREAS, the CITY and DISTRICT acknowledge that the Fire Station 166 property including the Training Facility has been deeded over from the CITY to the EL MONTE [illegible] about July 1, 2007, and the AGENCY [illegible] Three

NOW, THEREFORE, IN CONSIDERATION of the promises, covenants, representations and agreements set forth herein, the parties mutually agree as follows:

1. The Agreement for Services is hereby amended by modifying the following provisions:

A. SECTION I, paragraph (D), of the Agreement for Services shall be amended as follows:

(D) CITY shall remain a part of the DISTRICT for five (5) years as of and from the effective date of this Amendment Number Three (Amended Agreement Term) which shall be the date of approval by the last signatory of this Agreement. Subsequent to the Amended Agreement Term, the Agreement for Services, as herein amended, shall be automatically renewed from year-to-year. CITY may withdraw from DISTRICT at any time after the conclusion of the Amended Agreement Term subject to the requirements in Sections I and III herein.

B. SECTION III, paragraph (A) shall be deleted and replaced with following paragraph (A):

(A) As provided for in the State of California Government Code, Section 56855, CITY shall pay an Annual Fee for DISTRICT services, hereinafter referred to as "Annual Fee." DISTRICT shall be paid monthly, in advance, from funds of CITY for the performance of the services referred to in Section II hereof. The Annual Fee shall be determined by the method specified in Amended Schedule 1 dated July 11, 2008, or as later amended by the mutual consent of the Fire Chief of the DISTRICT and the City Council of the CITY, attached hereto and made a part hereof. CITY shall pay DISTRICT one-twelfth (1/12) of the estimated or actual Annual Fee monthly, in advance, on or before the first day of each month. The one-year period for payment of the Annual Fee is defined as July 1 through June 30, herein referred to as "fiscal year."

C. SECTION III, paragraph (A), subparagraphs (1) and (2) as added on February 20, 2007 shall be deleted.

D. SECTION XIV. A. – USE OF TRAINING FACILITY is added to read as follows:

[illegible] Delta Avenue, El Monte, [illegible]tion to the fire station and

battalion chief facilities. The training facility improvements are described as a training tower and a 2-story classroom building and other miscellaneous improvements, hereinafter referred to as "Training Facility." The Training Facility comprises 33,020 square feet of portions of Assessor Identification Numbers 8578-017-901 and 8578-017-902. A diagram showing the location of Fire Station 166 in relation to the Training Facility is attached hereto as Exhibit A and made a part hereof.

(B) Due to the regional use of the Training Facility to the DISTRICT, DISTRICT shall pay to CITY an annual rent amount of $197,000 for exclusive use and possession of the Training Facility. The annual rental period shall be July 1 through June 30 of each year commencing on the effective date of this Amendment Number Three. DISTRICT shall pay the annual rent amount via a credit on CITY's annual fee.

(C) DISTRICT shall be responsible for all routine maintenance and repairs to the Training Facility until the DISTRICT's use of the TRAINING FACILITY is terminated pursuant to Paragraph (H) hereinbelow. In the event that a major repair is needed to the Training Facility, the Fire Chief of the DISTRICT, in his sole discretion, may authorize DISTRICT staff to make such major repairs at DISTRICT's expense or the Fire Chief may opt to not make any repairs and cease DISTRICT's use of the damaged portion of the Training Facility. DISTRICT shall be under no obligation to make major repairs at its own expense.

(D) Any improvements made by DISTRICT which are not permanent and are removable may be removed by DISTRICT upon return of Training Facility to CITY. Any improvements made by DISTRICT to Training Facility, which are permanent and non-removable, will become the property of the CITY upon return of the Training Facility to CITY.

(E) The DISTRICT, in its sole discretion, may rent the Training Facility to outside agencies. Any revenue derived by the DISTRICT from outside agencies shall be retained by DISTRICT.

(F) CITY shall, at all times during the term of the Agreement, maintain "all risk" property hazard insurance against loss or damage for such perils defined as extended coverage at CITY expense for the full replacement value of the Training Facility and improvements thereon. DISTRICT shall be named as an additional insured. Any insurance [illegible] damage to the Training Facility shall be [illegible] of Training Facility and improvements thereon.

(G) If at any time the Training Facility becomes severely damaged or destroyed which cause is by an event not resulting from DISTRICT's negligence, including but not limited to, earthquake or other acts of God, so as to render the Training Facility inoperative or unfit for DISTRICT Training, as determined by DISTRICT in consultation with CITY, DISTRICT shall not be obligated for further rent payments commencing with the date of such damage until the Training Facility is restored for use for DISTRICT Training to the satisfaction of DISTRICT. DISTRICT shall notify CITY in writing of such damage within ten (10) days from the date such damage occurs. CITY reserves the right to inspect said damage upon receipt of notice. DISTRICT shall have no obligation to restore the Training Facility to its condition before such damage. CITY shall be entitled to a partial rent payment prorated from the commencement of the annual rental period to the date of occurrence of such damage. The partial rent payment shall be calculated on a daily rate based on the annual rent amount.

(H) CITY or DISTRICT may terminate the rental of the Training Facility upon ninety (90) days advance written notice to the other party. In the event of such termination, DISTRICT shall prorate the total rent owed for the remainder of the Fiscal Year in which such termination occurs and apply the prorated rent amount to the current year's Annual Fee.

(I) CITY shall ensure that the Fire Station 166 remaining property extends at minimum to 56' beyond the rear of the fire station to allow adequate access to the fire station, and provide any reasonable improvements (fencing, relocation of fueling station, access, parking for firefighters and other staff, battalion chief quarters, etc.) to DISTRICT's and CITY's mutual satisfaction should CITY at any time after the termination of DISTRICT's rental of the Training Facility, redevelop a portion of the Training Center as an alternative use. Attached as Exhibit "B" is the remaining property of Fire Station 166.

(J) DISTRICT shall continue to lease Fire Station 166 for one dollar ($1) a year in accordance with Section V of the Agreement for Services.

2. All other terms and conditions of the Agreement for Services shall remain the same and in full force and effect.

3. The AGENCY, as successor owner of the real property of Fire Station 166, the property having been conveyed by CITY to [illegible] on or about July 1, 2007 hereby consents to the Amendment Number Three.

IN WITNESS WHEREOF, CITY, by Resolution adopted by its City Council, has caused this Agreement to be executed by its Mayor and attested to by its Clerk; pursuant to action by a majority vote of the Board of Supervisors, as governing body of the DISTRICT, the Chair has executed this Agreement on behalf of DISTRICT and which execution has been attested to by its Clerk.

CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY

By _____
Chair, Board of Supervisors

ATTEST:

SACHI A. HAMAI, Executive Officer
Clerk of the Board of Supervisors

By _____
Deputy

(SEAL)

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By _____
Deputy

CITY OF EL MONTE

By _____
Ernest G. Gutierrez, Mayor

ATTEST:

By _____
Lorene Gutierrez, City Clerk

(SEAL)

Approved as to form:

By _____
E. Clarke Moseley, City Attorney

El Monte Community Redevelopment Agency

By: _____
James W. Mussenden
Executive Director

Approved as to form:

_____
[illegible]y, Agency Counsel

Attachment No. 1
to Amendment No. 3

CITY OF EL MONTE - DISTRICT ANNEXATION AGREEMENT
AMENDED SCHEDULE 1 dated JULY 11, 2008

OPERATION BY DISTRICT
ESTIMATED 2008-09 ANNUAL FEE

Fire Operations:

Station	Equipment	Resource Staffing	Resource Cost	2008-09 Est. City Cost
166	Quint	4	2,171,448	1,938,069 (1)
167	Engine	3	1,704,690	1,704,690
	Squad	2	1,128,870	1,128,870
168	Engine	3	1,704,690	1,704,690
169	Engine	3	1,704,690	852,345 (2)
Total Staffing:		15		
Fire Prevention:				
FFS Inspector		0.8	156,850	125,480 (3)
Total Salary and Employee Benefits				$ 7,454,144
District Overhead 32.6674%				2,435,075
ESTIMATED 2008-09 CITY ANNUAL FEE				**$9,889,219**
Less: Rent to be paid for Training Tower, 2-Story Classroom Building and Parking Area				As determined in a separate lease document. (4)
NET CITY ESTIMATED FEE				**$ 9,889,219** (5)

P. Michael Freeman, Fire Chief — Date: 9/16/08

James W. Mussenden City Manager — Authorized City Representative & Title — Date: 09/10/08

1) Effective 7-11-2008, District funds one-half (50%) of one firefighter post position; net City cost reflected.

2) Effective 7-11-2008, District funds 50% of the resource cost; net City cost reflected.

3) The FFS Inspector will be assigned to duties for the City 80% of his/her time; 20% will be spent on duties outside the City. The City will fund 80% of the annual cost of this resource; net City cost reflected.

4) The District and the City will subsequently enter into a mutually agreeable Amended Annexation Agreement which includes the terms of the lease for the training tower and classrooms located with Fire Station 166. The annual amount of rent the District owes pursuant to that lease will be deducted from the City's annual fee as long as the lease is in full force and effect, as approved by the County Board of Supervisors and the El Monte City Council.

5) Each year, the actual fees billed by the District and payable to the District by the City will be determined by the District; the City's annual estimated fee will be adjusted during [illegible] billing each fiscal year [illegible] the District's final rates.

Note: The [illegible] on the timely approval by the City of a 5-year service [illegible] on Q166 will be reduced to zero (0) and E169 will be

Exhibit A

Location of Fire Station 166 Training Facility

Exhibit B

Fire Station 166 Following Loss of Training Facility

F:/Users/El Monte/El Monte 3rd Amendment.v5 (10-3-08)

CITY OF EL MONTE
INTERDEPARTMENTAL COMMUNICATION
OFFICE OF THE CITY ATTORNEY
STAFF REPORT

City Council Meeting of June 16, 2009

DATE: JUNE 10, 2009

TO: MAYOR AND EL MONTE CITY COUNCIL

FROM: JAMES W. MUSSENDEN, CITY MANAGER
DANTE HALL, ASSISTANT CITY MANAGER

PREPARED BY: E. CLARKE MOSELEY, CITY ATTORNEY

SUBJECT: STATUS REGARDING NEGOTIATION OF THIRD AMENDMENT TO UNDERLYING FIRE SERVICES CONTRACT WITH THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY

I. EXECUTIVE SUMMARY

This staff report shall summarize the content and substance of the most recent draft iteration of a proposed **"Amendment No. Three"** ("Draft Third Amendment") to the underlying fire services agreement entitled "Agreement for Services by and Between the Consolidated Fire Protection District of Los Angeles County and the City of El Monte" (hereinafter, the "Master Agreement") which was originally executed on or about November 25, 1997. The Master Agreement has been amended two times since its original execution (the first time on October 3, 2000 and the second time on February 20, 2007). Once executed, "Amendment No. Three" would constitute the third of three major amendments made to the underlying Master Agreement since its original adoption.

The Draft Third Amendment which is attached to this staff report does the following:

1. FIVE-YEAR EXTENSION: The Draft Third Amendment extends the term of the underlying Master Agreement for five (5) years commencing from the date the "Amendment No. Three" is fully executed. **[To View Amendment See Section 1.A., page 2 of the Draft Third Amendment]**;

2. ADOPTION OF PROTOCOLS IN THE EVENT OF A STATION CLOSURE: The Draft Third Amendment establishes protocols that are to be followed *in the event* of a station closure but does not, in and of itself, direct or otherwise effectuate the closure of a station.

10357 10902

Under the Draft Third Amendment, if the City Council approves the closure of a fire station such closure will be subject to various ground rules, including the requirement that any closure that may be agreed to would be with the understanding, but not the commitment, that station closures typically take at least 60 days to complete, if not longer.

Based on his discussions with the City Manager, the District's Fire Chief believes that the closure of a fire station could result in an annual savings of approximately $1.9 to $2 million annually which, in turn, translates into revised annual fire services cost of approximately $8 million annually.

It should be noted, however, that the Draft Third Amendment does not *commit* the City to the closure of a fire station, nor does it commit the District to reduce the annual fees paid for fire service to any sort of specific sum if and when a closure is approved by all concerned. **[To View Amendment See Section 1.B., page 2 of Draft Third Amendment]**.

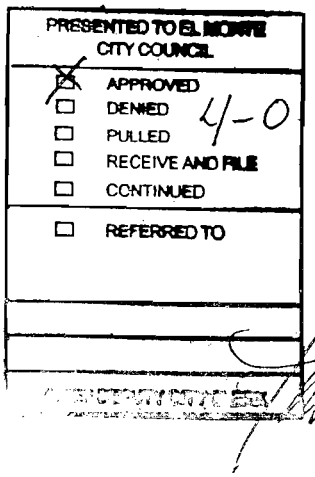
3. TRANSFER OF CITY-OWNED FIRE EQUIPMENT FOR DOLLAR CREDITS: The Draft Third Amendment provides for the reimbursement of the City by District in an amount equal to the value of the following: (a) the quint apparatus which is owned by the City but used by the District; and (b) certain other City-owned fire equipment which is currently in the District's possession. Under the Draft Third Amendment the value of the quint is stipulated to be $1,090,440. The agreement is silent as to the value of the remaining City-owned equipment. The compensation for City's transfer of the quint and other fire equipment shall come in the form of a one-time credit on the annual fee paid by the City to the District for fire services. In light of this amendment, the Draft Third Amendment also deletes a reference under the Master Agreement regarding the eventual return of the quint. **[To View Amendment See Section 1.C., page 3 of Draft Third Amendment]**;

4. FUNDING COMMITMENT BY CITY: The Draft Third Amendment makes reference to certain staffing reductions of a "3-person engine company" that arise out of the City's budget situation. The Draft Third Amendment then goes on to state that the "City ...agrees to restore the funding reduced under the [Third Amendment] as the City restores funding for City-paid positions at a rate of 75% of the funding allocation available to restore and/or budget City positions, using the City adopted 2009-10 budget as a base line." **[To View this Amendment See Section 1.B.3., page 3 of the Draft Third Amendment]**

5. RETURN OF EQUIPMENT: The Draft Third Amendment also provides for the return of certain "fire apparatus vehicles and related fire apparatus equipment" identified in Schedule 4 of the Master Agreement with equipment that is comparable in terms of type, condition and ages as of the commencement date of the Draft Third Amendment. The equipment identified in Schedule 4 includes two cars (1991 Chevy Sedan/1991 Pick-up) and 5 "pumpers." **[To View this Amendment Section 1.D., page 4 of the Draft Third Amendment]**.

The items above represent the current state of the Draft Third Amendment.

JUN 1 6 2009



4-0

(Councilman Gomez left the mtg @ 9:30pm)

JUNE 23, 2009 - EL MONTE CITY COUNCIL AGENDA

B. REGULAR AGENDA:

ACTION TAKEN

B-1 Fiscal Year 2009-2010 Budget.

receive & file

RECOMMENDATION OF BUSINESS ITEM UNDER CONSIDERATION:

City Council review and discuss the 2009-2010 proposed City budget.

m) Barrios
s) Gutierrez
3-2 (Gomez + Ishigaki)

Specially Added Agenda Item

B-2 Approval of Resolution Regarding Fire Station Closure.

Resolution No. 9040

C. **CLOSED SESSION:**

Motion: _____ Second: _____ Action: _____

Pulled

Specially Added Agenda Item

C-1 Threat of Potential Litigation Regarding Transit Village Project. Closed session under Government Code Section 54956.9(b)(1).

D. **ADJOURNMENT:** To a Budget Meeting on Tuesday, June 30, 2009 at 6:00 p.m. in the Council Chambers.

m) Barrios
s) Gomez

5-0

9:40 pm

CITY OF EL MONTE
NOTICE OF ACTION TAKEN AT EL MONTE CITY COUNCIL MEETING
IN ACCORDANCE WITH GOVERNMENT CODE SECTION 54954.2
-"SPECIALLY ADDED AGENDA ITEM"-

PLEASE TAKE NOTICE that during the adjourned regular City Council meeting as conducted on June 23, 2009 a City Official presented an item of business for consideration and action by the City which was not previously listed on the printed agenda for such meeting as publicly posted 72 hours previous to such meeting. Said item of business is more specifically described as:

Approval of Resolution Regarding Fire Station Closure.

Government Code Section 54954.2 generally prevents action being taken by the City Council on any item not appearing on the posted agenda except under the following conditions:

(1) Upon determination by a majority vote of the City Council that an emergency situation exists; or

(2) Upon a two-thirds vote of the City Council (or if less than two-thirds of the members are present, a unanimous vote of those present) that the need to take action on the particular item arose subsequent to the posting of the agenda.

Action taken by the City Council on June 23, 2009, with respect to the above-described matter arose by virtue of:

_____ An emergency.
_____ Facts and circumstances requiring immediate action.
X Other circumstances.

Description of facts: The need to take action arose after the posting of the agenda of June 23, 2009.

Action on added agenda item:

(i) Motion to Add Item: Barios
Second: Gomez
Vote: 5-0

(ii) Motion on Item: Barios
Second: Gutierrez
Vote: 3-2 (Gomez + Delgado)

Dated: June 22, 2009

By: _____
Chief Deputy City Clerk

PRESENTED TO EL MONTE CITY COUNCIL
JUN 23 2009
APPROVED
DENIED 3-2
PULLED
RECEIVE AND FILE
CONTINUED
REFERRED TO
CITY CLERK

R-2.

CITY OF EL MONTE
INTERDEPARTMENTAL COMMUNICATION
OFFICE OF THE CITY ATTORNEY

DATE: JUNE 22, 2009

TO: MAYOR AND EL MONTE CITY COUNCIL

FROM: JAMES W. MUSSENDEN, CITY MANAGER
DANTE HALL, ASSISTANT CITY MANAGER

PREPARED BY: E. CLARKE MOSELEY, CITY ATTORNEY

SUBJECT: RESOLUTION REQUESTING CLOSURE OF ONE ENGINE COMPANY WITHIN THE CITY OF EL MONTE

Recommendation
Council approve the attached resolution initiating closure process for one engine company with the Consolidated Fire District of Los Angeles County.

Discussion
At the regular meeting of June 16, 2009, the City Council approved a Third Amendment to its underlying agreement with the Consolidated Fire District of Los Angeles County ("District") which among other things sets forth the protocol for the closure of one engine company within the City of El Monte. In light of the City's current financial crisis and in recognition of the need to reduce the City's outstanding General Fund deficit, it is recommended that the City approve the attached resolution to commence the process of closing one engine company. Approval of this resolution will start a process that should be completed in no less than 60 days. During this time, the District's Fire Chief will develop an adjusted compensation schedule which will reflect the estimated savings from the closure of a fire station.

It should be noted that the attached resolution does not instruct the County as to *which* fire station should be closed. That decision will rest entirely with the County. Furthermore, this resolution does not foreclose the possibility of the County maintaining a four-station package of service provided that such level of service can be offered at an amount that produces an annual cost savings of approximately $2 million dollars. Based upon representations received through conversations between the City Manager and the District Fire Chief, this action (i.e., the closing of a fire station) will result in a corresponding savings of approximately $2 million dollars.

RESOLUTION NO. 9040

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL MONTE, CALIFORNIA, EXERCISING ITS RIGHTS UNDER ITS AGREEMENT WITH THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY TO INITIATE THE CLOSURE OF ONE ENGINE COMPANY IN THE CITY OF EL MONTE

WHEREAS, on November 25, 1997, the City of El Monte executed and entered into an agreement with the Consolidated Fire Protection District of Los Angeles County (Agreement No. 71136) for the provision of fire prevention and suppression services (hereinafter, the "Master Agreement"); and

WHEREAS, the City Council recently approved "Amendment Number Three" to the Master Agreement, a true and correct copy of which is attached hereto as Exhibit "A"; and

WHEREAS, at its regular meeting of June 16, 2009, the City Council approved a third amendment to the Master Agreement (hereinafter, the "2009 Third Amendment") which provides, among other things, that the City may initiate the process of closing one engine company, especially in instances where financial conditions necessitate such a closure; and

WHEREAS, the City's current fiscal crisis compels the closure of one engine company, unless the Board of Supervisors is capable of approving a reduced schedule of costs that allows for a four-station package of service while at the same time allowing the City's budget to stay in balance for Fiscal Year 2009-2010 and beyond.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EL MONTE, CALIFORNIA, DOES FIND, DECLARE, ORDER AND RESOLVE AS FOLLOWS:

SECTION 1. Pursuant to Section III(A)(1) and (2) of the Master Agreement, as amended by way of the 2009 Third Amendment, the City of El Monte hereby gives notice to the Consolidated Fire District of Los Angeles County ("District") of its intent to request the closure of one engine company and the corresponding adjustment of the cost-sharing arrangement between the City of El Monte and the District under the Master Agreement. The City Council requests that the Fire Chief of the District commence the preparation of a revised Amendment Schedule 1 to reflect the reduced costs to the City arising from the closure of one engine company.

SECTION 2. The City Council requests that the District obtain all requisite approvals, including any and all approvals required of the Los Angeles County Board of Supervisors, to complete the closure process.

SECTION 3. The City Manager is hereby authorized to execute all documents and instruments necessary to effectuate the City's request.

SECTION 4. This Resolution shall take effect immediately upon its approval by the City Council.

PASSED, APPROVED, AND ADOPTED this 23rd day of June, 2009

Ernest G. Gutierrez
Mayor of the City of El Monte

ATTEST:

Lorene Gutierrez
City Clerk of the City of El Monte

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF EL MONTE)

I, Lorene Gutierrez, City Clerk of the City of El Monte, hereby certify that the foregoing Resolution No. 9040 was passed and adopted by the City Council of the City of El Monte, signed by the Mayor and attested to by the City Clerk at a regular meeting of said Council held on the 23rd day of June, 2009 and that said resolution was adopted by the following vote, to-wit:

AYES: Mayor Gutierrez, Councilman Barrios and Councilwoman Wallach

NOES: Councilman Gomez and Councilwoman Ishigaki

ABSENT: None

Lorene Gutierrez
City Clerk of the City of El Monte

AMENDMENT NUMBER THREE

TO THE AGREEMENT FOR SERVICES BY AND BETWEEN THE

CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY

AND THE CITY OF EL MONTE

This **Amendment Number Three** to the Agreement for Services is made and entered into this _____ day of _____, 2009, by and between the CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY, hereinafter referred to as the "DISTRICT," and the CITY OF EL MONTE, hereinafter referred to as the "CITY," to amend the Agreement for Services by and between the Consolidated Fire Protection District of Los Angeles County and the City of El Monte dated November 25, 1997 (Agreement No. 71136) and as amended on October 3, 2000, and again on February 20, 2007, hereinafter referred to as "Agreement for Services".

W I T N E S S E T H

WHEREAS, the CITY and DISTRICT have entered into the Agreement for Services pursuant to which the DISTRICT provides fire protection, hazardous materials, emergency medical, and all related services to the CITY; and

WHEREAS, the Agreement for Services was previously amended on October 3, 2000 and again on February 20, 2007, to modify certain provisions in regards to the payment of conversion costs and fire station maintenance and repair, the funding of staffing within the CITY, and future modifications to staffing levels; and

WHEREAS, the CITY and DISTRICT desire to further amend the Agreement for Services to extend its term an additional five (5) years and to authorize an Amended Schedule 1 to the Agreement to provide for the daily staffing reduction of a 3-person engine company; and

WHEREAS, both CITY and DISTRICT are desirous for DISTRICT to purchase certain [illegible] from the CITY which was previously transferred to the DISTRICT, the value of [illegible] or any outstanding CITY balance.

[illegible], covenants

representations and agreements set forth herein, the parties mutually agree as follows:

1. The Agreement for Services is hereby amended by modifying the following provisions:

A. SECTION I, Subsection (D), of the Agreement for Services shall be amended as follows:

(D) CITY shall remain a part of the DISTRICT for five (5) years as of and from the effective date of this Amendment Number Three (Amended Agreement Term) which shall be the date of approval by the last signatory of this Agreement. Subsequent to the Amended Agreement Term, the Agreement for Services, as herein amended, shall be automatically renewed from year-to-year. CITY may withdraw from DISTRICT at any time after the conclusion of the Amended Agreement Term subject to the requirements in Sections I and III herein.

B. SECTION III, Subsection (A) paragraphs (1) and (2) which were added to the Agreement for Services in Amendment Number Two to the Agreement shall be deleted and replaced with the following paragraphs:

(1) Should the City Council approve a future closure of one engine company in the City, the Fire Chief and the City Council shall mutually agree on how the engine company closure will be implemented and the effective date of the closure. It is anticipated that the closure of the one engine company will be no longer than 60 days from City Council approval of the engine company closure. A revised Amended Schedule 1 shall be executed by the DISTRICT Fire Chief and the City Manager to reflect the closure. The closure of one engine company in the CITY will result in an adjustment of the cost-sharing of resources in the CITY by the DISTRICT, which adjustment shall be determined at the DISTRICT Fire Chief's sole discretion. The modifications reflected in the revised Amended Schedule 1 shall be prorated commencing with the effective date of the closure, pursuant to Section III, Subsection (J) herein.

(2) The reduction in the daily staffing of a 3-person engine company is a direct [illegible] the CITY's current financial constraints and is consistent with other staffing [illegible] CITY personnel. CITY hereby agrees to use all good faith efforts to [illegible] engine company closed under this Amendment Number

Three if and when the CITY's current financial condition allows.

C. SECTION IV shall be amended to add the following subsection:

(H) DISTRICT shall reimburse the CITY for the value of 1) certain apparatus previously transferred to the DISTRICT and 2) the Quint apparatus purchased on behalf of the CITY by the DISTRICT pursuant to this Section IV, Subsection (F) herein, as described in Attachment A, attached hereto and made a part hereof. The value of the apparatus has been depreciated based upon the age of the apparatus at the time of transfer to the DISTRICT and has been agreed to by both CITY and DISTRICT to be $1,090,440. Such reimbursement to the CITY shall be in the form of a one-time credit in the amount of $1,090,440 to the CITY's annual fee or any annual fee outstanding balance. Notwithstanding Section XII, Subsection A, paragraph (3) herein, in the event the CITY withdraws from the DISTRICT, the fire apparatus vehicles described in Attachment A to this Amendment No. 3 shall remain the property of the DISTRICT, and the DISTRICT shall not be required to return comparable apparatus to the CITY for any vehicle described in Attachment A.

D. SECTION XII, Subsection A, paragraph (3) shall be amended as follows:

(3) With the exception of the apparatus described in Attachment A to the Amendment Number 3 to the Agreement for Services, the DISTRICT shall return to CITY fire apparatus vehicles, and related fire apparatus equipment of a comparable type, condition, and age as of the commencement date of service in the quantity and type as described on Schedule 4.

E. SECTION XII, Subsection A, paragraph (4) shall be deleted, paragraph (5) shall be renumbered as paragraph (4), and paragraph (6) shall be renumbered as paragraph (5).

2. All other terms and conditions of the Agreement for Services shall remain the same and in full force and effect.

///

///

IN WITNESS WHEREOF, CITY, by Resolution adopted by its City Council, has caused this Agreement to be executed by its Mayor and attested to by its Clerk; pursuant to action by a majority vote of the Board of Supervisors, as governing body of the DISTRICT, the Chairman has executed this Agreement on behalf of DISTRICT and which execution has been attested to by its Clerk.

CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY

By _____
Chairman, Board of Supervisors

ATTEST:

SACHI A. HAMAI, Executive Officer
Clerk of the Board of Supervisors

By _____
Deputy

(SEAL)

APPROVED AS TO FORM:

Office of the County Counsel

By _____
Deputy

CITY OF EL MONTE

By _____
Mayor

ATTEST:

By _____
City Clerk

(SEAL)

APPROVED AS TO FORM:

By _____
City Attorney

F:/Users/El Monte/El Monte 3rd Amendment (5-20-09) v2

ATTACHMENT "A"

AMENDMENT NO. THREE
To Agreement for Services By and Between the Consolidated Fire Protection District of Los Angeles County and the City of El Monte

The following is the list of those vehicles, equipment and apparatuses for which the City shall receive reimbursement pursuant to Section IV(H) of the Agreement for Services which has been added by way of **Amendment No. Three** to which this Attachment "A" is attached:

A. VEHICLES

•	C23	Chevy 1991	Sedan	Lic. 331699	VIN 1G1BL5370MW215735
•	U22	Chevy 1991	Pick-up	Lic. 331650	VIN 1GCDC14K9MZ123078

B. FIRE APPARATUS

•	E21	Pierce 1990	Pumper	Lic. 331658	VIN 4P1CA02H7LA000791
•	E22	Pierce 1994	Pumper	Lic. 19417	VIN 4P1CT02E2RA000691
•	E23	Pierce 1990	Pumper	Lic. 331659	VIN 4P1CA02H8LA000802
•	E24	Pierce 1986	Pumper	Lic. 75177	VIN 1P9CA01K2GA040455
•	S22	Nissan 1992	Support	Lic. 380396	VIN JNALG08J1NGN65252

C. QUINT APPARATUS

- That certain Quint apparatus referenced under Section IV(F) of the Agreement for Services that value of which is stipulated to be $1,090,440.00.

CITY OF EL MONTE - DISTRICT ANNEXATION AGREEMENT
AMENDED SCHEDULE 1 dated August 1, 2009

OPERATION BY DISTRICT
ESTIMATED 2009-10 ANNUAL FEE

Fire Operations:

Station	Equipment	Resource Staffing	Annual Resource Cost	2009-10 Est. City Cost
166	Quint	4	2,262,051	1,797,471 (1)
	Squad	2	1,162,545	1,162,545 (2)
167	Engine (7/1/09 - 8/31/09)	3	1,776,867	301,824 (3)
	Engine (Effective 9/01/09)	0	-	-
	Squad (Moved FS 166 effective 9/01/09)			
168	Engine	3	1,776,867	1,776,867
169	Engine	3	1,776,867	888,434 (4)
Total Post Position Staffing:		15		
Fire Prevention:				
FFS Inspector		0.8	164,335	131,468
Total Salary and Employee Benefits				$ 6,058,609
District Overhead 32.6426%				1,977,688
ESTIMATED 2009-10 CITY ANNUAL FEE				**$ 8,036,297** (5)

P. Michael Freeman, Fire Chief

8/10/09
Date

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CITY CLERK'S OFFICE
2009 AUG 11 A 3:37

James W. Mussenden City Manager 8-6-09
Authorized City Representative & Title — Date

1) Effective 8-01-09, District funds one firefighter post position; net City prorated cost reflected.

2) Effective 9-01-09, with the closure of Fire Station 167, Squad 167 will be housed at Fire Station 166. No change in cost.

3) Effective 9-01-09, upon resolution of the El Monte City Council, Engine 167 will temporarily close. District will retain possession of Fire Station 167 for any fire services related purpose of the District, such as fire arson or fire prevention staff. The annual cost and overhead for Engine 167 will be prorated from its in-service time from 07-01-09 to 08-31-09 (62 days).

4) Effective 7-11-08, District funds 50% of the resource cost; net City cost reflected.

5) The FFS Inspector will be assigned to duties for the City 80% of his/her time; 20% will be spent on duties outside the City. The City will fund 80% of the annual cost of this resource; net City cost reflected.

6) Each year, the actual fees billed by the District and payable to the District by the City will be determined by the District; the City's annual estimated fee will be adjusted during final billing each fiscal year based upon the District's final rates.

Richard Padilla

From:	Richard Padilla
Sent:	Tuesday, August 11, 2009 2:58 PM
To:	Marcie Medina; Lettie DeDios
Cc:	James Mussenden; Dante Hall; Tom Armstrong; Steve Schuster; David Gondek; Clarke Moseley
Subject:	Revised Schedule 1 to Fire Services Contract
Attachments:	Fire Contract (Revised Schedule 1)-08-11-09.pdf

Marcie/Lettie:

Attached for your files please find a copy of the signed Amended Schedule 1 to the Fire Services Contract. This schedule reflects the adjusted *estimated* cost of fire services to the City for Fiscal Year 2009-2010.

Although you should double check with Jim, I think it would be fair to say that we can go ahead and release the checks to County fire.

As explained earlier, this amendment is made separate and apart from the Amendment Number Three we've all been discussing the past several weeks. As explained by Jim and as stated in the correspondence of Chief Freeman, there is still a desire on the part of County Fire to draft an Amendment Number Three which (a) extends the term of the master contract; (b) provides for the $1.0M sale of vehicles to the County; and (c) establishes a "restoration plan" that has been an issue of particular concern to Chief Freeman.

This Amendment Schedule 1 provided for the demobilization of 1 three-person engine company and the corresponding cost reduction associated with such demobilization.

As I mentioned in my e-mal of last week, I am still waiting to hear back from Debbie Aguirre, Chief Freeman's main negotiator on the acceptability of the draft of Amendment Number Three that I forwarded to her on July 30, 2009 – almost two weeks ago.

I will also send a copy to the City Clerk for archiving.

Richard E. Padilla
Deputy City Attorney
City of El Monte
El Monte City Hall - East
11333 Valley Boulevard
El Monte, CA 91731
Phone: (626) 580-2010
Fax: (626) 580-2290
E-Mail: rpadilla@cityofelmonte.org

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CITY OF EL MONTE - DISTRICT ANNEXATION AGREEMENT
AMENDED SCHEDULE 1 (effective 10-01-2010)

RE-OPENING OF
FIRE STATION 167

OPERATION BY DISTRICT
ESTIMATED 2010-11 ANNUAL FEE

Fire Operations:

Station	Equipment	Resource Staffing	Annual Resource Cost	2010-11 Est. City Cost	
166	Quint	4	2,304,372	1,810,008	(1)
	Squad (moved to FS 167 eff. 10/1/10)				
167	Engine (restored effective 10/1/10)	3	1,810,008	1,353,787	(2)
	Squad (moved from FS 166 eff. 10/1/10)		1,181,391	1,181,391	(3)
168	Engine	3	1,810,008	1,810,008	
169	Engine	3	1,810,008	905,004	(4)
	Total Post Position Staffing:	13			
Fire Prevention:					
FFS Inspector		0.8	167,588	134,070	(5)
Total Salary and Employee Benefits				$ 7,194,268	
District Overhead 33.6539%				2,421,152	
	Estimated 2010-11 City Annual Fee Subtotal			$ 9,615,420	
	Less: FEMA Fire Fighters Grant Funding			1,353,787	
	ESTIMATED 2010-11 CITY ANNUAL FEE			**$ 8,261,633**	(6)

P. Michael Freeman, Fire Chief — Date: 9/3/10

Authorized City Representative & Title — Date: 8/30/10

1) District funds one firefighter post position; net City cost reflected.

2) Effective 10-01-10, upon resolution of the El Monte City Council, Station 167 will be reopened. The City's cost for the annual S&EB costs for Engine 167 will be reduced through the FEMA grant period from 10-01-2010 to 7-14-2012.

3) Effective 10-01-10, with the reopening of Fire Station 167, Squad 166 will be returned to Fire Station 167 as Squad 167. No change in cost.

4) District funds 50% of the resource cost; net City cost reflected.

5) The FFS Inspector is assigned to duties for the City 80% of his/her time; 20% is spent on duties outside the City. The City will fund 80% of the annual cost of this resource; net City cost reflected.

6) Each year, the actual fees billed by the District and payable to the District by the City will be determined by the District; the City's annual estimated fee will be adjusted during final billing each fiscal year based upon the District's final rates.

ATTACHMENT 8 – FLETCHER PARK BILLBOARD SITE LEASE AGREEMENT

CITY OF EL MONTE

--COMMUNITY REDEVELOPMENT AGENCY--
For meeting of October 31, 2001

TO: CHAIRPERSON MONTES AND REDEVELOPMENT AGENCY MEMBERS
MAYOR AND COUNCIL MEMBERS

FROM: HAROLD O. JOHANSON, EXECUTIVE DIRECTOR AND CITY MANAGER

SUBJECT: AGREEMENT WITH REGENCY OUTDOOR ADVERTISING, INC. FOR BILLBOARDS

Background: Regency Outdoor Advertising, Inc. has proposed the construction of two double-faced outdoor advertising structures (billboards) at opposite corners of Fletcher Park adjacent to the I-10 freeway. Because the billboards will be located within the Downtown El Monte Redevelopment Project Area and can qualify as on-premises billboards, and because the billboards will be on City property, a three-party agreement has been prepared. The billboards must be removed at the end of the "on-premises" use period, which is initially ten years with an extension of ten years as may be subsequently approved.

Fiscal Impact: When the Agreement has been executed and building permits have been issued, Regency will provide a one-time contribution of $400,000 to the City.

Recommendation: That the Agency and Council:

1. Approve the terms of the Agreement with Regency Outdoor Advertising, Inc.; and
2. Authorize the Executive Director and City Manager to execute the final Agreement, in a form approved by the City Attorney, and any related applications or agreements with the State of California.

NOV - 6 2001

PRESENTED TO EL MONTE COMMUNITY REDEVELOPMENT AGENCY

☑ APPROVED
☐ DENIED
☐ PULLED
☐ CONTINUED

☐ REFERRED TO

SECRETARY TO THE BOARD OF DIRECTORS

C-2.

CA Agmt #[illegible]

2008
MODIFICATION OF AGREEMENT

(Regency Outdoor Advertising, Inc.)

THIS 2008 MODIFICATION OF AGREEMENT (the "2008 Modification Agreement"), is dated as of March 1, 2008, by and among Regency Outdoor Advertising, Inc., a California Corporation ("Regency"), the City of El Monte and the El Monte Community Redevelopment Agency (collectively the "City") and is entered into in light of the facts set forth in the following Recitals:

-- RECITALS--

1. Regency and the City have previously entered into an agreement entitled "Agreement of the City of El Monte, the El Monte Community Redevelopment Agency and Regency Outdoor Advertising, Inc. for the "Construction, Maintenance and Use of Outdoor Advertising Structure", dated November 6, 2001 (the "2001 Agreement");

2. The Agreement provides for the operation by Regency of certain outdoor on-premises advertising display signs in the redevelopment project area of the Downtown El Monte Redevelopment Project, as authorized by Business and Professions Code Section 5273 and other applicable law; and

3. In November 2007, unknown third parties, caused damage to certain electrical transformer equipment and copper electric wiring owned by the City of El Monte in Fletcher Park, which provides an electrical power source for night time illumination and operation of each of the two (2) outdoor bulletin display sign structures constructed and operated by Regency in Fletcher Park. These sign structures are referred to in the 2001 Agreement as "Billboard One" and "Billboard Two". The damage to City property in November 2007 has resulted in an interruption of electrical service to Billboard One and Billboard Two for nighttime illumination; and

4. Regency and the City deem it appropriate to modify the 2001 Agreement, as set forth herein to provide for a restoration of electric service and the initiation of separate billing by the City to Regency for electric utility service for nighttime illumination and operation of the advertising on bulletin panels of Billboard One and Billboard Two.

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NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

SECTION 1. The Recitals of this 2008 Modification Agreement are true and correct. The text of the 2001 Agreement is incorporated by this reference into this 2008 Modification Agreement.

SECTION 2. As of the date of this 2008 Modification Agreement, the 2001 Agreement in full force and effect and no default exists thereunder.

SECTION 3. The 2001 Agreement is hereby amended to add a new Section 3(f) which reads as follows:

"(f) Notwithstanding any other provisions of this Agreement to the contrary, commencing on March ___, 2008, the City shall provide electric power for night time illumination and operation of Billboard One and Billboard Two in accordance with this Section 3(f). As of the date of the 2008 Modification Agreement, Regency represents and warrants to the City that Billboard One shall be illuminated for an average of eleven (11) hours, each day, by eight (8) four hundred (400) watt lamps which lamps, in the aggregate consume 960 kilowatt hours of electricity per month; and Billboard Two shall be illuminated for an average of eleven (11) hours each day by four (4) one hundred (100) watt lamps which lamps, in the aggregate consume 480 kilowatt hours of electricity per month (each month having 30 days). Regency shall reimburse the City for one hundred and fifteen percent (115%) of the direct actual cost of electricity as provided to Billboard One and Billboard Two through City electric service meter number 308641809 (the "City Meter"), at the then current metered rate of Southern California Edison Company, as charged to the City for electricity drawn through the City Meter. The City shall invoice Regency from time-to-time for reimbursement of the cost of electricity provided to Billboard One and Billboard Two through the City Meter, and Regency shall pay such amount to the City within thirty (30) days of receipt of each such invoice. Any amount which is not paid by Regency to the City within thirty (30) days following the date of such an invoice shall accrue interest at a rate of ten percent (10%) per annum until paid in full. The City shall provide Regency with a copy of each monthly electric service bill for the City Meter, upon the written request of Regency. In the event that Regency may hereafter cease to use electricity for the illumination or the operation of either such sign, change the average number of hours of sign illumination each month, or modify the electricity illumination and lighting equipment on either such sign in a manner which either increases or decreases the number of kilowatt hours each month of electric power consumed by either such sign, Regency shall give written notice to the City of such increase or decrease in electricity power consumption, and the City shall adjust the calculation of the electricity service reimbursement charged to Regency under this Section 3(f) accordingly. The City reserves the right to modify, maintain and repair the City Meter, and the appurtenant electric service panels and facilities through which such electric service is provided to Billboard One and/or Billboard Two and to interrupt electric service for reasonable periods of time during any such work of modification, maintenance and repair. The City shall have no liability to Regency under this Section 3(f), or otherwise, for damages of any kind associated with an interruption of electric service to either Billboard One or Billboard Two, whether caused by interference of third persons or by the City. Regency shall be responsible for the cost of the maintenance, repair and replacement of the electric wiring and electric service connection equipment

between City Electric Meter and Billboard One and Billboard Two, as applicable."

SECTION 4. The 2001 Agreement is hereby amended to add a new Section 3(g) which reads as follows:

"(g) Regency shall be responsible for paying for ad valorem property taxes as may be levied on the "possessory interest", as this term is defined in Revenue and Taxation Code Section 107 of Regency, in Billboard One and Billboard Two, which arises under this Agreement."

SECTION 5. Except as amended by Section 3 and Section 4 of this 2008 Modification Agreement, all other provisions of the 2001 Agreement remain in full force and effect.

SECTION 6. This 2008 Modification Agreement may be executed by the parties in counterparts and when both counterparts have been executed then each shall be deemed to be part of one original document.

REGENCY

Regency Outdoor Advertising Inc., a California corporation

Date: 3/10, 2008

By: _____
Drake Kennedy, President

CITY

City of El Monte

and

El Monte Community Redevelopment Agency

APPROVED AS TO FORM
4-3-08

Date: _____, 2008

By: _____
City Manager

Date: _____, 2008

By: _____
Executive Director

CITY OF EL MONTE

–COMMUNITY REDEVELOPMENT AGENCY–
For meeting of October 31, 2001

TO: CHAIRPERSON MONTES AND REDEVELOPMENT AGENCY MEMBERS
MAYOR AND COUNCIL MEMBERS

FROM: HAROLD O. JOHANSON, EXECUTIVE DIRECTOR AND CITY MANAGER

SUBJECT: AGREEMENT WITH [redacted] OUTDOOR ADVERTISING, INC. FOR BILLBOARDS

Background: Regency Outdoor Advertising, Inc. has proposed the construction of two double-faced outdoor advertising structures (billboards) at opposite corners of Fletcher Park adjacent to the I-10 freeway. Because the billboards will be located within the Downtown El Monte Redevelopment Project Area and can qualify as on-premises billboards, and because the billboards will be on City property, a three-party agreement has been prepared. The billboards must be removed at the end of the "on-premises" use period, which is initially ten years with an extension of ten years as may be subsequently approved.

Fiscal Impact: When the Agreement has been executed and building permits have been issued, Regency will provide a one-time contribution of $400,000 to the City.

Recommendation: That the Agency and Council:

1. Approve the terms of the Agreement with Regency Outdoor Advertising, Inc.; and
2. Authorize the Executive Director and City Manager to execute the final Agreement, in a form approved by the City Attorney, and any related applications or agreements with the State of California.

NOV - 6 2001

PRESENTED TO EL MONTE COMMUNITY REDEVELOPMENT AGENCY

- [x] APPROVED
- [ ] DENIED
- [ ] PULLED
- [ ] CONTINUED

- [ ] REFERRED TO

SECRETARY TO THE BOARD OF DIRECTORS

C-2.

AGREEMENT OF THE CITY OF EL MONTE, THE EL MONTE COMMUNITY REDEVELOPMENT AGENCY,

-AND-

REGENCY OUTDOOR ADVERTISING, INC. FOR THE CONSTRUCTION, MAINTENANCE AND USE OF OUTDOOR ADVERTISTING STRUCTURES

This Agreement (the "Agreement") is made and entered into by and between the CITY OF EL MONTE, California (the "CITY"), the EL MONTE COMMUNITY REDEVELOPMENT AGENCY (the "AGENCY") and REGENCY OUTDOOR ADVERTISING, INC., a California Corporation ("REGENCY") on this 6 day of November 2001.

WITNESSETH:

SECTION 1 - RECITALS: This Agreement is made and entered into with respect to the following facts:

(a) The CITY and REGENCY desire to have two outdoor advertising structures (the "Billboards") constructed, maintained and utilized on certain real property owned and controlled by the CITY – property commonly identified as Fletcher Park 3404 Fletcher Parkway, El Monte, California 91731 (the "Fletcher Park Property") to generate revenue for both entities; and

(b) REGENCY shall make one face of billboard space available to the CITY for a total thirty (30) days per year; and

(c) The billboards shall be generally located at opposite ends of the Fletcher Park parking lot running parallel to that stretch of the Interstate 10 Freeway which passes through the City of El Monte, California. (See Plans and Specifications attached and incorporated herein as Exhibit "A"); and

(d) The first of the two billboards ("Billboard One") shall be a fourteen foot by forty-eight foot (14' x 48') two-faced, on-premises, outdoor advertising structure situated near the entrance of the Fletcher Park parking lot; and

(e) The second of the two billboards ("Billboard Two") shall be a twenty-four foot by twenty-six foot (24' x 26') two-faced, on-premises, outdoor advertising structure situated beyond the end of the Fletcher Park parking lot opposite from the end upon which Billboard One shall be situated; and

(f) Each of the billboards shall be constructed to accommodate "cut-outs" and "extensions" (i.e. fixtures attached to the face of the billboard which extend beyond the billboards' rectangular areas); and

(g) The CITY acknowledges that the Fletcher Park Property upon which the Billboards are to be built has been properly zoned for the construction and use contemplated herein and that no discretionary approvals are required from the CITY or the AGENCY for construction of the billboards; and

(h) The construction and use of the billboards contemplated herein is governed by California's Outdoor Advertising Act, Business & Professions Code, Section 5200 et. seq. (All further statutory references in this Agreement shall be to the California Business & Professions Code unless otherwise indicated); and

(i) Section 5490, subdivision (b), defines "on-premises advertising displays" as any structure, housing, sign, device, figure, statuary, painting, display, message placard, or other contrivance, or any part thereof, that has been designed, constructed, created, intended, or engineered to have a useful life of 15 years or more, and [is] intended or used to advertise, or provide data or information in the nature of advertising, for any of the following purposes: (1) To designate, identify, or indicate the name or business of the owner or occupant of the premises upon which the advertising display is located [or] (2) To advertise the business conducted, services available or rendered, or the good produced, sold, or available for sale, upon the property where the advertising display has been lawfully erected."

(j) To qualify as "on-premises advertising displays," the billboards contemplated herein must satisfy the terms of Section 5273 which states: ... "[A]dvertising displays advertising those businesses and activities developed within the boundary limits of, and as a part of, an individual redevelopment agency project may, with the consent of the redevelopment agency governing the project, be considered to be on the premises anywhere within the limits of that project when all of the land is contiguous or is separated only by a public highway or public facilities developed or relocated for inclusion within the project as a part of the original redevelopment plan for a period not to exceed 10 years or the completion of the project, whichever first occurs..."; and

(k) The Fletcher Park Property upon which the "on-premises" billboards are to be constructed is part of the CITY's designated redevelopment area as required by Section 5273; and

(l) The consent of the AGENCY to the placement of the proposed billboards within the boundaries of the redevelopment project area shall be evidenced by its execution of this Agreement and a California Department of Transportation ("Caltrans") "Certification By Display Owner Of Display Within Redevelopment Projects";

(m) Pursuant to Section 5273, the billboards contemplated herein shall cease to qualify as "on-premises" billboards after the earliest the following two dates: (1) ten (10) years after the execution date of this Agreement; or (2) the date upon which the redevelopment project is completed; and

(n) Pursuant to Section 5273, the billboards must be removed at the end of the "on-premises" use period discussed in Section 1, subdivision (m), above, unless (1) CalTrans extends the ten-year period and the AGENCY and CalTrans arrive at a mutually acceptable arrangement for the extension of the ten-year, "on-premises" use period or (2) the billboards re-qualify under Sections 5272 and 5405.

SECTION 2 – PROJECT TERMS: The undertaking described in Section 1 shall be carried-out pursuant to the following:

(a) The CITY shall allow REGENCY to erect and construct two (2) outdoor advertising structures (collectively the "Billboards") on the Fletcher Park Property provided the undertaking first receives building permits from the CITY and/or the AGENCY, and receives all necessary permits from CalTrans.

(b) The CITY has reviewed this Agreement and the plan specifications for the proposed billboards and deems them categorically exempt pursuant to the California Environmental Quality Act ("CEQA") (Pub. Res. Code, Sections 21000 et seq.) as set forth in 14 Cal Code Regs. Section 15303.

(c) The CITY and REGENCY agree that the billboards shall be generally situated at opposite ends of the Fletcher Park parking lot which lies parallel to that stretch of the Interstate 10 Freeway which passes through the City of El Monte, California. Nevertheless, the precise location and design specifications for the billboards shall be set forth in the design plans to be submitted to the CITY by REGENCY prior to the issuance of any permits. Such design plans, once approved, shall be attached and incorporated hereto as Exhibit "A."

(d) REGENCY warrants, covenants and agrees to the following individually, jointly and severally:

(1) REGENCY shall comply with, and adhere to, all applicable federal, state and local laws and procedures in the construction, maintenance and use the billboards.

(2) Billboard One shall be a fourteen foot by forty-eight foot (14' x 48') two-faced, outdoor advertising structure built to accommodate "cut-outs" and "extensions." The precise specifications and location of Billboard One shall be set forth in detail in the design plans to be attached and incorporated hereto as Exhibit "A."

(3) Billboard Two shall be a twenty-four foot by twenty-six foot (24' x 26') two-faced, outdoor advertising structure built to accommodate "cut-outs" and "extensions." The precise specifications and location of Billboard Two shall be set forth in detail in the design plans to be attached and incorporated hereto as Exhibit "A."

(4) REGENCY shall contribute a one-time fee of four-hundred thousand dollars ($400,000) to the CITY for the construction and use of the Billboards. The fee shall be paid to the CITY upon issuance of building permits and following approval of this Agreement by the AGENCY and the CITY, whichever occurs first, and shall be presented to CITY at El Monte City Hall West 11333 Valley Boulevard, El Monte, CA 91731 or at any such place designated by the CITY in writing. If CalTrans declines to extend the "on-premises" use of the billboards for an additional ten (10) years pursuant to Section 5273, the CITY agrees to enter into good faith negotiations with REGENCY for the recalculation of the four-hundred thousand dollar ($400,000) fee.

(5) The term of this Agreement shall be for a period that does not exceed twenty (20) years from its date of execution and the Agreement may terminate as early as ten (10) years from its date of execution pursuant to Section 5273. The AGENCY shall negotiate with CalTrans in good faith but shall be under no obligation to accept any arrangement that imposes terms or conditions it deems onerous, unreasonable or detrimental to financial well-being of the CITY or the AGENCY. In the event that CalTrans and the AGENCY arrive at a mutually agreeable arrangement to extend the "on-premises" use of the Billboards pursuant to Section 5273, REGENCY shall not be requested to pay any additional fees to CITY or AGENCY.

(6) Within seventy-two (72) hours of receiving notice from the CITY, REGENCY shall, at no cost to the CITY, repair and/or correct any damage to the billboard caused by acts of vandalism, including but not limited to graffiti.

(7) REGENCY agrees to provide the CITY with the use of one billboard sign face of the CITY's choice for one thirty (30) day period per year for the purpose of advertising CITY approved events, programs or businesses. The CITY shall give REGENCY ninety (90) days notice of its desire to place such advertisement and provide to REGENCY camera-ready art work for the production of the ad copy. REGENCY shall pay the cost of preparing the advertising copy for such sign faces. REGENCY and the CITY shall make a good faith effort to schedule the CITY's use of the billboards in a manner that does not unduly interfere with REGENCY's existing contractual obligations.

(8) REGENCY shall not display, cause or permit to be displayed objectionable copy on either of the billboards. Objectionable copy shall include, but not be limited to, advertising for tobacco products, adult entertainment establishments, as well as advertising for shopping centers, automobile dealerships or big box stores located in cities other than the City of El Monte. The objectionable advertising specifically identified herein shall be objectionable per se and shall be strictly prohibited. REGENCY shall remove all objectionable copy within seventy-two (72) hours after receiving notice of the El Monte City Council's finding that certain copy is objectionable. A finding that advertising is objectionable shall be made after notice and fair hearing on the matter by the El Monte City Council. All findings of the City Council shall be final and non-appealable. Removal of objectionable advertising shall come at no cost to the CITY.

(9) REGENCY shall submit design plans to the CITY prior to the CITY granting any approval for the undertaking contemplated herein. The CITY shall use its best efforts to process the structural plans and issue a building permit expeditiously if the plans meet all CITY building codes.

(10) REGENCY shall utilize the billboards exclusively for the type of "on-premises" use consistent with Section 5273 or 5490.

(11) If the fees required by this Agreement (four hundred thousand dollars ($400,000)), are paid to the CITY by REGENCY and the project is not constructed within six (6) months, REGENCY will be refunded the total of all fees paid.

(12) While it is the desire of all parties that the Agreement last for a term of twenty (20) years from its date of its execution, REGENCY acknowledges and agrees, that pursuant to Section 5273, the Billboards shall cease to qualify as "on-premises advertising displays" after a period of ten (10) years from the date of execution of this Agreement, unless CalTrans extends the "on-premises" use of the billboards and the AGENCY and CalTrans arrive at a mutually acceptable arrangement for extending the "on-premises" use of the Billboards pursuant to Section 5273.

(13) REGENCY shall not be entitled to a refund of any portion of their initial four-hundred thousand dollar ($400,000) contribution, if CalTrans declines to issue an extension beyond the first ten (10) years of the Agreement.

(e) The CITY warrants, covenants and agrees to the following:

(1) The Fletcher Park Property has been properly zoned to allow the construction and use contemplated herein.

(2) The Fletcher Park Property is situated in the El Monte Redevelopment Project Area. Further, the CITY will use its best efforts to cause the several redevelopment areas within the CITY to be combined to enhance the advertisement value of the structures proposed.

(3) If REGENCY obtains all requisite approval and authorization to construct the billboards, the CITY shall execute a Department of Transportation "Certificate By Display Owner Of Display Within Redevelopment Projects." The CITY shall thereafter provide REGENCY with an official map of the city identifying the redevelopment area.

(4) For the duration of this Agreement, the CITY shall prevent trees, shrubs, buildings or other obstacles situated on CITY property from blocking the view of the billboards from that stretch of the Interstate 10 Freeway adjacent to the Fletcher Park Property and the billboards.

(5) REGENCY may trim and/or remove existing trees or other foliage that may obstruct the visibility of the Billboards from the Interstate 10 Freeway, provided they first obtain written permission from the Director of Parks & Recreation for the City of El Monte (the "Director") or his/her designated representative. In no case shall the CITY preclude trimming necessary to make all four faces of advertising fully visible from the east and west bound lanes of the adjacent freeway.

(6) The CITY shall provide REGENCY with unobstructed access to those portions of the Fletcher Park Property upon which the billboards shall be situated so that they may be constructed and maintained.

(7) REGENCY shall not be responsible for landscaping, irrigation and/or site improvements or maintenance to the surrounding property upon which the Billboards are located.

(8) REGENCY shall not be required to pay fees to the CITY other than the initial four hundred thousand dollar ($400,000) fee discussed in Section 2, subdivision (d)(4) above. Among the fees REGENCY shall not be required to pay are land use entitlement application fees, building plan check fees, building permit fees, business license fees and the like.

(9) After REGENCY has submitted all construction and design plans and after is has obtained all necessary approval and authorization to construct the billboards, the CITY shall use its best efforts to issue building permits for both billboards in an expeditious manner. The CITY, however, shall be under no obligation to issue building permits until it is satisfied that the plans satisfy all requisite specifications.

(10) While it is the desire of all parties that the Agreement last for a term of twenty (20) years from its date of execution, REGENCY acknowledges and agrees that pursuant to Section 5273, the Billboards shall cease to qualify as "on-premises advertising displays" unless the CalTrans permit is extended. If the permit is not extended by CalTrans, REGENCY will remove the structures at no cost to the CITY.

(11) If within six (6) months, the construction contemplated herein does not receive all requisite approval and cannot proceed, the CITY shall refund REGENCY their initial contribution of four hundred thousand dollars ($400,000) without interest.

SECTION 3 – TERM OF AGREEMENT, TERMINATION: This Agreement shall be for a term not to exceed twenty (20) years from the date of its execution and may terminate as early as ten (10) years from its date of execution if the permit is not extended by CalTrans, despite the CITY's request and if the AGENCY and CalTrans are unable to arrive at a mutually acceptable arrangement for the ten-year extension of the "on-premises" use contemplated herein. As specified in Section 1, subdivision (m) and (n), REGENCY understands that pursuant to Section 5273, the billboards shall cease to qualify as "on-premises advertising displays," and with certain exceptions, and unless extended by CalTrans, must be removed upon the earliest of the following dates: (a) the date the redevelopment project is completed or (b) ten (10) years following the date of execution of this Agreement. The CITY and the AGENCY desire that CalTrans extend the qualification period of both Billboards for an additional ten (10) years following the initial ten (10) year period provided the AGENCY and CalTrans are able to arrive at a mutually acceptable arrangement to extend the "on-premises" use contemplated herein.

SECTION 4 – INSURANCE: REGENCY shall maintain insurance with insurers approved by the CITY for the duration of the project; that is, from the time construction undertaking is commenced to such time as when the billboards are removed. REGENCY shall maintain insurance coverage that includes, but is not limited to, coverage for all risks and perils associated with the construction, maintenance and use of the billboards, including but not limited to comprehensive liability coverage for personal injury and/or property damage caused during the construction, maintenance or use of the billboards. Such coverage shall not at any time be for amounts less than one million dollars ($1,000,000). Proof of insurance coverage obtained by REGENCY shall be given to the CITY prior to approval of any permits authorization the construction of the billboards.

SECTION 5 – NOTICES: Whenever notices are required to be given pursuant to the provisions of this Agreement, the same shall be in written form and shall be served upon the party to whom addressed by personal service as required in judicial proceedings, or by deposit of the same in the custody of the United States Postal Service or its lawful successor in interest, postage prepaid, addressed to the Parties as follows:

CITY / AGENCY:	City of El Monte El Monte City Hall West 11333 Valley Boulevard El Monte, CA 91731
REGENCY:	Regency Outdoor Advertising, Inc. 8820 Sunset Blvd., Room F Los Angeles, CA 90069

Notices shall be deemed, for all purposes, to have been given on the date of personal service or three (3) consecutive calendar days following the deposit of the same with the United States Postal Service

SECTION 6 – INDEMNIFICATION: REGENCY (the "Indemnifying Parties") shall indemnify and hold free and harmless the CITY, the AGENCY and their respective officers, employees and agents (the "Indemnified Parties") from any claim, demand,

damage, liability, loss, cost, expense lien or judgment for any damage whatsoever, including but not limited to, death or injury to any person and/or damage to any property, real or personal (the "Damage"), proximately resulting from any intentional or negligent act or omission to act where a duty to act exists on the part of the Indemnifying Party or any of its officers, employees, or agents, in the performance of its obligations pursuant to this Agreement. The CITY and the AGENCY shall provide written notice to REGENCY of any suit, claim, action, legal or administrative proceeding, or demand made. Compliance with the provision of this Agreement requiring liability insurance coverage shall not be deemed to satisfy or limit REGENCY's indemnity obligations hereunder.

SECTION 7 – NON-DISCRIMINATION COVENANT: REGENCY covenant individually, jointly and severally and for and their respective successors and assigns that there shall be no discrimination against or segregation of any person or group of persons on the basis of race, color, creed, religion, sex, marital status, age, handicap, national origin or ancestry in the use of the construction, use and/or maintenance of the billboards.

SECTION 8 – BINDING EFFECT: The provisions of this Agreement shall be binding upon the CITY, the AGENCY and REGENCY and their respective successors in interest.

SECTION 9 - ASSISTANCE OF COUNSEL, AUTHORIZATION: Each party to this Agreement warrants to the other, the following:

(a) Each party either had the assistance of counsel or had counsel available to it, in the negotiation for, and execution of, this Agreement, and all related documents; and

(b) Each party has lawfully authorized the execution of this Agreement. REGENCY further warrants that shall provide the AGENCY with copies of a corporate resolution authorizing execution of this Agreement not less than five (5) working days following the execution of this Agreement.

SECTION 10 – SEVERABILITY: If any provision of this Agreement shall be held or deemed to be, or shall in fact be, illegal, inoperative, or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative, or unenforceable to any extent whatever.

SECTION 11 – MODIFICATION: This Agreement may be modified by mutual written Agreement of the parties only.

SECTION 12 – ASSIGNMENT: This Agreement may be assigned by REGENCY to any licensed outdoor advertising company in the State of California upon proper notification to the CITY and AGENCY for their approval. The AGENCY will not withhold approval of assignment to any company that has a regional presence and maintains a good reputation in the industry.

SECTION 13 – ATTORNEYS FEES: If any action is instituted to enforce the terms of this Agreement, the parties agree to pay for their respective costs and attorneys' fees.

SECTION 14 - TITLE: CITY represents and warrants that it owns the Fletcher Park Property in fee and that there are no easements or other encumbrances which would prohibit or interfere with construction of the billboards. CITY acknowledges that REGENCY may seek title insurance. In the event the CITY does not have authority to license the Billboards, REGENCY may terminate this Agreement and the fees paid hereunder shall be refunded.

SECTION 15 - NON-COMPETITION: CITY and AGENCY acknowledge and agree that they will not license or grant any other approvals to any party other than REGENCY for any other Billboards on the Fletcher Park Property.

SECTION 16 – EFFECTIVE DATE: The effective date of this Agreement shall be the ____ day of November 2001.

CITY OF EL MONTE, CALIFORNIA

By: _____
Harold O. Johanson
City Manager

APPROVED AS TO FORM

By: _____
E. Clarke Moseley
City Attorney

EL MONTE COMMUNITY REDEVELOPMENT AGENCY

By: _____
Harold O. Johanson
Executive Director

APPROVED AS TO FORM

By: _____
D. Wayne Leech
CRA Counsel

REGENCY OUTDOOR ADVERTISING, INC.

By: _____
Drake Kennedy, President

Exhibit A

Fletcher Park Proposal
City of El Monte

Drawn	Date	Sheet #
sls	4-04-01	1 of 1

Scale: 1" = 90'

Fletcher Parkway

70' High Double Face Outdoor Advertising Display (14' x 48')

San Bernardino (10) Freeway

Bike Trail

Rio Hondo Channel

Fletcher Park

Recreation Building

Basketball Court

6' High Chain Link Fence

Parking Lot

40' High Freeway Sound Wall

El Monte Bus Station

80' High Double Face Outdoor Advertising Display (24' x 26')

SEE STRUCTURAL PLANS FOR DETAILS

11/27/01

AGREEMENT OF THE CITY OF EL MONTE, THE EL MONTE COMMUNITY REDEVELOPMENT AGENCY,

-AND-

REGENCY OUTDOOR ADVERTISING, INC. FOR THE CONSTRUCTION, MAINTENANCE AND USE OF OUTDOOR ADVERTISTING STRUCTURES

This Agreement (the "Agreement") is made and entered into by and between the CITY OF EL MONTE, California (the "CITY"), the EL MONTE COMMUNITY REDEVELOPMENT AGENCY (the "AGENCY") and REGENCY OUTDOOR ADVERTISING, INC., a California Corporation ("REGENCY") on this ____ day of _____, 2001.

WITNESSETH:

SECTION 1 - RECITALS: This Agreement is made and entered into with respect to the following facts:

(a) The CITY and REGENCY desire to have two outdoor advertising structures (the "Billboards") constructed, maintained and utilized on certain real property owned and controlled by the CITY – property commonly identified as Fletcher Park, 3404 Fletcher Parkway, El Monte, California 91731 (the "Fletcher Park Property") to generate revenue for both entities; and

(b) REGENCY shall make one face of billboard space available to the CITY for a total thirty (30) days per year; and

(c) The billboards shall be generally located at opposite ends of the Fletcher Park parking lot running parallel to that stretch of the Interstate 10 Freeway which passes through the City of El Monte, California. (See Plans and Specifications attached and incorporated herein as Exhibit "A"); and

(d) The first of the two billboards ("Billboard One") shall be a fourteen foot by forty-eight foot (14' x 48') two-faced, on-premises, outdoor advertising structure situated near the entrance of the Fletcher Park parking lot; and

(e) The second of the two billboards ("Billboard Two") shall be a twenty-four foot by twenty-six foot (24' x 26') two-faced, on-premises, outdoor advertising structure situated beyond the end of the Fletcher Park parking lot opposite from the end upon which Billboard One shall be situated; and

(f) Each of the billboards shall be constructed to accommodate "cut-outs" and "extensions" (i.e. fixtures attached to the face of the billboard which extend beyond the billboards' rectangular areas); and

(g) The CITY acknowledges that the Fletcher Park Property upon which the Billboards are to be built has been properly zoned for the construction and use contemplated herein and that no discretionary approvals are required from the CITY or the AGENCY for construction of the billboards; and

(h) The construction and use of the billboards contemplated herein is governed by California's Outdoor Advertising Act, Business & Professions Code, Section 5200 et. seq. (All further statutory references in this Agreement shall be to the California Business & Professions Code unless otherwise indicated); and

(i) Section 5490, subdivision (b), defines "on-premises advertising displays" as any structure, housing, sign, device, figure, statuary, painting, display, message placard, or other contrivance, or any part thereof, that has been designed, constructed, created, intended, or engineered to have a useful life of 15 years or more, and [is] intended or used to advertise, or provide data or information in the nature of advertising, for any of the following purposes: (1) To designate, identify, or indicate the name or business of the owner or occupant of the premises upon which the advertising display is located [or] (2) To advertise the business conducted, services available or rendered, or the good produced, sold, or available for sale, upon the property where the advertising display has been lawfully erected."

(j) To qualify as "on-premises advertising displays," the billboards contemplated herein must satisfy the terms of Section 5273 which states: ... "[A]dvertising displays advertising those businesses and activities developed within the boundary limits of, and as a part of, an individual redevelopment agency project may, with the consent of the redevelopment agency governing the project, be considered to be on the premises anywhere within the limits of that project when all of the land is contiguous or is separated only by a public highway or public facilities developed or relocated for inclusion within the project as a part of the original redevelopment plan for a period not to exceed 10 years or the completion of the project, whichever first occurs..."; and

(k) The Fletcher Park Property upon which the "on-premises" billboards are to be constructed is part of the CITY's designated redevelopment area as required by Section 5273; and

(l) The consent of the AGENCY to the placement of the proposed billboards within the boundaries of the redevelopment project area shall be evidenced by its execution of this Agreement and a California Department of Transportation ("Caltrans") "Certification By Display Owner Of Display Within Redevelopment Projects";

(m) Pursuant to Section 5273, the billboards contemplated herein shall cease to qualify as "on-premises" billboards after the earliest the following two dates: (1) ten (10) years after the execution date of this Agreement; or (2) the date upon which the redevelopment project is completed; and

(n) Pursuant to Section 5273, the billboards must be removed at the end of the "on-premises" use period discussed in Section 1, subdivision (m), above, unless (1) CalTrans extends the ten-year period and the AGENCY and CalTrans arrive at a mutually acceptable arrangement for the extension of the ten-year, "on-premises" use period or (2) the billboards re-qualify under Sections 5272 and 5405.

SECTION 2 – PROJECT TERMS: The undertaking described in Section 1 shall be carried-out pursuant to the following:

(a) The CITY shall allow REGENCY to erect and construct two (2) outdoor advertising structures (collectively the "Billboards") on the Fletcher Park Property provided the undertaking first receives building permits from the CITY and/or the AGENCY, and receives all necessary permits from CalTrans.

(b) The CITY has reviewed this Agreement and the plan specifications for the proposed billboards and deems them categorically exempt pursuant to the California Environmental Quality Act ("CEQA") (Pub. Res. Code, Sections 21000 et seq.) as set forth in 14 Cal Code Regs. Section 15303.

(c) The CITY and REGENCY agree that the billboards shall be generally situated at opposite ends of the Fletcher Park parking lot which lies parallel to that stretch of the Interstate 10 Freeway which passes through the City of El Monte, California. Nevertheless, the precise location and design specifications for the billboards shall be set forth in the design plans to be submitted to the CITY by REGENCY prior to the issuance of any permits. Such design plans, once approved, shall be attached and incorporated hereto as Exhibit "A."

(d) REGENCY warrant, covenant and agree to the following individually, jointly and severally:

(1) REGENCY shall comply with, and adhere to, all applicable federal, state and local laws and procedures in the construction, maintenance and use the billboards.

(2) Billboard One shall be a fourteen foot by forty-eight foot (14' x 48') two-faced, outdoor advertising structure built to accommodate "cut-outs" and "extensions." The precise specifications and location of Billboard One shall be set forth in detail in the design plans to be attached and incorporated hereto as Exhibit "A."

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(4) REGENCY shall contribute a one-time fee of four-hundred thousand dollars ($400,000) to the CITY for the construction and use of the Billboards. The fee shall be paid to the CITY upon issuance of building permits and following approval of this Agreement by the AGENCY and the CITY, whichever occurs fist, and shall be presented to CITY at El Monte City Hall West 11333 Valley Boulevard, El Monte, CA 91731 or at any such place designated by the CITY in writing. If CalTrans declines to extend the "on-premises" use of the billboards for an additional ten (10) years pursuant to Section 5273, the CITY agrees to enter into good faith negotiations with REGENCY for the recalculation of the four-hundred thousand dollar ($400,000) fee.

(5) The term of this Agreement shall be for a period that does not exceed twenty (20) years from its date of execution and the Agreement may terminate as early as ten (10) years from its date of execution pursuant to Section 5273. The AGENCY shall negotiate with CalTrans in good faith but shall be under no obligation to accept any arrangement that imposes terms or conditions it deems onerous, unreasonable or detrimental to financial well-being of the CITY or the AGENCY. In the event that CalTrans and the AGENCY arrive at a mutually agreeable arrangement to extend the "on-premises" use of the Billboards pursuant to Section 5273, REGENCY shall not be requested to pay any additional fees to CITY or AGENCY.

(6) Within seventy-two (72) hours of receiving notice from the CITY, REGENCY shall, at no cost to the CITY, repair and/or correct any damage to the billboard caused by acts of vandalism, including but not limited to graffiti.

(7) REGENCY agrees to provide the CITY with the use of one billboard sign face of the CITY's choice for one thirty (30) day period per year for the purpose of advertising CITY approved events, programs or businesses. The CITY shall give REGENCY ninety (90) days notice of its desire to place such advertisement and provide to REGENCY camera-ready art work for the production of the ad copy. REGENCY shall pay the cost of preparing the advertising copy for such sign faces. REGENCY and the CITY shall make a good faith effort to schedule the CITY's use of the billboards in a manner that does not unduly interfere with REGENCY's existing contractual obligations.

(8) REGENCY shall not display, cause or permit to be displayed objectionable copy on either of the billboards. Objectionable copy shall include, but not be limited to, advertising for tobacco products, adult entertainment establishments, as well as advertising for shopping centers, automobile dealerships or big box stores located in cities other than the City of El Monte. The objectionable advertising specifically identified herein shall be objectionable per se and shall be strictly prohibited. REGENCY shall remove all objectionable copy within seventy-two (72) hours after receiving notice of the El Monte City Council's finding that certain copy is objectionable. A finding that advertising is objectionable shall be made after notice and fair hearing on the matter by the El Monte City Council. All findings of the City Council shall be final and non-appealable. Removal of objectionable advertising shall come at no cost to the CITY.

(9) REGENCY shall submit design plans to the CITY prior to the CITY granting any approval for the undertaking contemplated herein. The CITY shall use its best efforts to process the structural plans and issue a building permit expeditiously if the plans meet all CITY building codes.

(10)REGENCY shall utilize the billboards exclusively for the type of "on-premises" use consistent with Section 5273 *or 5490*.

(11) If the fees required by this Agreement (four hundred thousand dollars ($400,000)), are paid to the CITY by REGENCY and the project is not constructed within six (6) months, REGENCY will be refunded the total of all fees paid.

(12) While it is the desire of all parties that the Agreement last for a term of twenty (20) years from its date of its execution, REGENCY acknowledges and agrees, that pursuant to Section 5273, the Billboards shall cease to qualify as "on-premises advertising displays" after a period of ten (10) years from the date of execution of this Agreement, unless CalTrans extends the "on-premises" use of the billboards and the AGENCY and CalTrans arrive at a mutually acceptable arrangement for extending the "on-premises" use of the Billboards pursuant to Section 5273.

(13)REGENCY shall not be entitled to a refund of any portion of their initial four-hundred thousand dollar ($400,000) contribution, if CalTrans declines to issue an extension beyond the first ten (10) years of the Agreement.

(e) The CITY warrants, covenants and agrees to the following:

(1) The Fletcher Park Property has been properly zoned to allow the construction and use contemplated herein.

(2) The Fletcher Park Property is situated in the El Monte Redevelopment Project Area. Further, the CITY will use its best efforts to cause the several redevelopment areas within the CITY to be combined to enhance the advertisement value of the structures proposed.

(3) If REGENCY obtains all requisite approval and authorization to construct the billboards, the CITY shall execute a Department of Transportation "Certificate By Display Owner Of Display Within Redevelopment Projects." The CITY shall thereafter provide REGENCY with an official map of the city identifying the redevelopment area.

(4) For the duration of this Agreement, the CITY shall prevent trees, shrubs, buildings or other obstacles situated on CITY property from blocking the view of the billboards from that stretch of the Interstate 10 Freeway adjacent to the Fletcher Park Property and the billboards.

(5) REGENCY may trim and/or remove existing trees or other foliage that may obstruct the visibility of the Billboards from the Interstate 10 Freeway, provided they first obtain written permission from the Director of Parks & Recreation for the City of El Monte (the "Director") or his/her designated representative. In no case shall the CITY preclude trimming necessary to make all four faces of advertising fully visible from the east and west bound lanes of the adjacent freeway.

(6) The CITY shall provide REGENCY with unobstructed access to those portions of the Fletcher Park Property upon which the billboards shall be situated so that they may be constructed and maintained.

(7) REGENCY shall not be responsible for landscaping, irrigation and/or site improvements or maintenance to the surrounding property upon which the Billboards are located.

(8) REGENCY shall not be required to pay fees to the CITY other than the initial four hundred thousand dollar ($400,000) fee discussed in Section 2, subdivision (d)(4) above. Among the fees REGENCY shall not be required to pay are land use entitlement application fees, building plan check fees, building permit fees, business license fees and the like.

(9) After REGENCY have submitted all construction and design plans and after they have obtained all necessary approval and authorization to construct the billboards, the CITY shall use its best efforts to issue building permits for both billboards in an expeditious manner. The CITY, however, shall be under no obligation to issue building permits until it is satisfied that the plans satisfy all requisite specifications.

(10) While it is the desire of all parties that the Agreement last for a term of twenty (20) years from its date of its execution, REGENCY acknowledges and agrees that pursuant to Section 5273, the Billboards cease to qualify as "on-premises advertising displays" unless the CalTrans permit is extended. If the permits are not extended by CalTrans, REGENCY will remove the structures at no cost to the CITY.

(11)If with six (6) months, the construction contemplated herein does not receive all requisite approval and cannot proceed, the CITY shall refund REGENCY their initial contribution of four hundred thousand dollars ($400,000) without interest.

SECTION 3 – TERM OF AGREEMENT, TERMINATION: This Agreement shall be for a term not to exceed twenty (20) years from the date of its execution and may terminate as early as ten (10) years from its date of execution if the permit is not extended by CalTrans, despite the CITY's request and if the AGENCY and CalTrans are unable to arrive at a mutually acceptable arrangement for the ten-year extension of the "on-premises" use contemplated herein. As specified in Section 1, subdivision (m) and (n), REGENCY understands that pursuant to Section 5273, the billboards shall cease to qualify as "on-premises advertising displays," and with certain exceptions, and unless extended by CalTrans, must be removed upon the earliest of the following dates: (a) the date the redevelopment project is completed or (b) ten (10) years following the date of execution of this Agreement. The CITY and the AGENCY desire that CalTrans extend the qualification period of both Billboards for an additional ten (10) years following the initial ten (10) year period provided the AGENCY and CalTrans are able to arrive at a mutually acceptable arrangement to extend the "on-premises" use contemplated herein.

SECTION 4 – INSURANCE: REGENCY shall maintain insurance with insurers approved by the CITY for the duration of the project; that is, from the time construction undertaking is commenced to such time as when the billboards are removed. REGENCY shall maintain insurance coverage that includes, but is not limited to, coverage for all risks and perils associated with the construction, maintenance and use of the billboards, including but not limited to comprehensive liability coverage for personal injury and/or property damage caused during the construction, maintenance or use of the billboards. Such coverage shall not at any time be for amounts less than one million dollars ($1,000,000). Proof of insurance coverage obtained by REGENCY shall be given to the CITY prior to approval of any permits authorization the construction of the billboards.

SECTION 5 – NOTICES: Whenever notices are required to be given pursuant to the provisions of this Agreement, the same shall be in written form and shall be served upon the party to whom addressed by personal service as required in judicial proceedings, or by deposit of the same in the custody of the United States Postal Service or its lawful successor in interest, postage prepaid, addressed to the Parties as follows:

CITY / AGENCY:	City of El Monte El Monte City Hall West 11333 Valley Boulevard El Monte, CA 91731
REGENCY:	Regency Outdoor Advertising, Inc. 8820 Sunset Blvd., Room F Los Angeles, CA 90069

Notices shall be deemed, for all purposes, to have been given on the date of personal service or three (3) consecutive calendar days following the deposit of the same with the United States Postal Service

SECTION 6 – INDEMNIFICATION: REGENCY (the "Indemnifying Parties") shall indemnify and hold free and harmless the CITY, the AGENCY and their respective officers, employees and agents (the "Indemnified Parties") from any claim, demand,

damage, liability, loss, cost, expense lien or judgment for any damage whatsoever, including but not limited to, death or injury to any person and/or damage to any property, real or personal (the "Damage"), proximately resulting from any intentional or negligent act or omission to act where a duty to act exists on the part of the Indemnifying Party or any of its officers, employees, or agents, in the performance of its obligations pursuant to this Agreement. The CITY and the AGENCY shall provide written notice to REGENCY of any suit, claim, action, legal or administrative proceeding, or demand made. Compliance with the provision of this Agreement requiring liability insurance coverage shall not be deemed to satisfy or limit the Center's indemnity obligations hereunder.

SECTION 7 – NON-DISCRIMINATION COVENANT: REGENCY covenant individually, jointly and severally and for and their respective successors and assigns that there shall be no discrimination against or segregation of any person or group of persons on the basis of race, color, creed, religion, sex, marital status, age, handicap, national origin or ancestry in the use of the construction, use and/or maintenance of the billboards.

SECTION 8 – BINDING EFFECT: The provisions of this Agreement shall be binding upon the CITY, the AGENCY and REGENCY and their respective successors in interest.

SECTION 9 - ASSISTANCE OF COUNSEL, AUTHORIZATION: Each party to this Agreement warrants to the other, the following:

(a) Each party either had the assistance of counsel or had counsel available to it, in the negotiation for, and execution of, this Agreement, and all related documents; and

(b) Each party has lawfully authorized the execution of this Agreement. REGENCY further warrants that shall provide the AGENCY with copies of a corporate resolution authorizing execution of this Agreement not less than five (5) working days following the execution of this Agreement.

SECTION 10 – SEVERABILITY: If any provision of this Agreement shall be held or deemed to be, or shall in fact be, illegal, inoperative, or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative, or unenforceable to any extent whatever.

SECTION 11 – MODIFICATION: This Agreement may be modified by mutual written Agreement of the parties only.

SECTION 12 – ASSIGNEMENT: This Agreement may be assigned by REGENCY to any licensed outdoor advertising company in the State of California upon proper notification to the CITY and AGENCY for their approval. The AGENCY will not withhold approval of assignment to any company that has a regional presence and maintains a good reputation in the industry.

SECTION 13 – ATTORNEYS FEES: If any action is instituted to enforce the terms of this Agreement, the parties agree to pay for their respective costs and attorneys fees.

SECTION 14 - TITLE: CITY represents and warrants that it owns the Fletcher Park Property in fee and that there are no easements or other encumbrances which would prohibit or interfere with construction of the billboards. CITY acknowledges that REGENCY may seek title insurance. In the event the CITY does not have authority to license the Billboards, REGENCY may terminate this Agreement and the fees paid hereunder shall be refunded.

SECTION 15 - NON-COMPETITION: CITY and AGENCY acknowledge and agree that they will not license or grant any other approvals to any party other than REGENCY for any other Billboards on the Fletcher Park Property.

SECTION 16 – EFFECTIVE DATE: The effective date of this Agreement shall be the ____ day of _____, 2001.

CITY OF EL MONTE, CALIFORNIA

By: _____
Harold O. Johanson
City Manager

APPROVED AS TO FORM

By:_____
E. Clarke Moseley
City Attorney / CRA Counsel

EL MONTE COMMUNITY REDEVELOPMENT AGENCY

By:_____
Harold O. Johanson
Executive Director

REGENCY OUTDOOR ADVERTISING, INC.

By:_____
Drake Kennedy, President

AGREEMENT OF THE CITY OF EL MONTE, THE EL MONTE COMMUNITY REDEVELOPMENT AGENCY,

-AND-

REGENCY OUTDOOR ADVERTISING, INC. FOR THE CONSTRUCTION, MAINTENANCE AND USE OF OUTDOOR ADVERTISTING STRUCTURES

This Agreement (the "Agreement") is made and entered into by and between the CITY OF EL MONTE, California (the "CITY"), the EL MONTE COMMUNITY REDEVELOPMENT AGENCY (the "AGENCY") and REGENCY OUTDOOR ADVERTISING, INC., a California Corporation ("REGENCY") on this 6 day of November 2001.

WITNESSETH:

SECTION 1 - RECITALS: This Agreement is made and entered into with respect to the following facts:

(a) The CITY and REGENCY desire to have two outdoor advertising structures (the "Billboards") constructed, maintained and utilized on certain real property owned and controlled by the CITY – property commonly identified as Fletcher Park, 3404 Fletcher Parkway, El Monte, California 91731 (the "Fletcher Park Property") to generate revenue for both entities; and

(b) REGENCY shall make one face of billboard space available to the CITY for a total thirty (30) days per year; and

(c) The billboards shall be generally located at opposite ends of the Fletcher Park parking lot running parallel to that stretch of the Interstate 10 Freeway which passes through the City of El Monte, California. (See Plans and Specifications attached and incorporated herein as Exhibit "A"); and

(d) The first of the two billboards ("Billboard One") shall be a fourteen foot by forty-eight foot (14' x 48') two-faced, on-premises, outdoor advertising structure situated near the entrance of the Fletcher Park parking lot; and

(e) The second of the two billboards ("Billboard Two") shall be a twenty-four foot by twenty-six foot (24' x 26') two-faced, on-premises, outdoor advertising structure situated beyond the end of the Fletcher Park parking lot opposite from the end upon which Billboard One shall be situated; and

(f) Each of the billboards shall be constructed to accommodate "cut-outs" and "extensions" (i.e. fixtures attached to the face of the billboard which extend beyond the billboards' rectangular areas); and

(g) The CITY acknowledges that the Fletcher Park Property upon which the Billboards are to be built has been properly zoned for the construction and use contemplated herein and that no discretionary approvals are required from the CITY or the AGENCY for construction of the billboards; and

(h) The construction and use of the billboards contemplated herein is governed by California's Outdoor Advertising Act, Business & Professions Code, Section 5200 et. seq. (All further statutory references in this Agreement shall be to the California Business & Professions Code unless otherwise indicated); and

(i) Section 5490, subdivision (b), defines "on-premises advertising displays" as any structure, housing, sign, device, figure, statuary, painting, display, message placard, or other contrivance, or any part thereof, that has been designed, constructed, created, intended, or engineered to have a useful life of 15 years or more, and [is] intended or used to advertise, or provide data or information in the nature of advertising, for any of the following purposes: (1) To designate, identify, or indicate the name or business of the owner or occupant of the premises upon which the advertising display is located [or] (2) To advertise the business conducted, services available or rendered, or the good produced, sold, or available for sale, upon the property where the advertising display has been lawfully erected."

(j) To qualify as "on-premises advertising displays," the billboards contemplated herein must satisfy the terms of Section 5273 which states: ... "[A]dvertising displays advertising those businesses and activities developed within the boundary limits of, and as a part of, an individual redevelopment agency project may, with the consent of the redevelopment agency governing the project, be considered to be on the premises anywhere within the limits of that project when all of the land is contiguous or is separated only by a public highway or public facilities developed or relocated for inclusion within the project as a part of the original redevelopment plan for a period not to exceed 10 years or the completion of the project, whichever first occurs..."; and

(k) The Fletcher Park Property upon which the "on-premises" billboards are to be constructed is part of the CITY's designated redevelopment area as required by Section 5273; and

(l) The consent of the AGENCY to the placement of the proposed billboards within the boundaries of the redevelopment project area shall be evidenced by its execution of this Agreement and a California Department of Transportation ("Caltrans") "Certification By Display Owner Of Display Within Redevelopment Projects";

(m) Pursuant to Section 5273, the billboards contemplated herein shall cease to qualify as "on-premises" billboards after the earliest the following two dates: (1) ten (10) years after the execution date of this Agreement; or (2) the date upon which the redevelopment project is completed; and

(n) Pursuant to Section 5273, the billboards must be removed at the end of the "on-premises" use period discussed in Section 1, subdivision (m), above, unless (1) CalTrans extends the ten-year period and the AGENCY and CalTrans arrive at a mutually acceptable arrangement for the extension of the ten-year, "on-premises" use period or (2) the billboards re-qualify under Sections 5272 and 5405.

SECTION 2 – PROJECT TERMS: The undertaking described in Section 1 shall be carried-out pursuant to the following:

(a) The CITY shall allow REGENCY to erect and construct two (2) outdoor advertising structures (collectively the "Billboards") on the Fletcher Park Property provided the undertaking first receives building permits from the CITY and/or the AGENCY, and receives all necessary permits from CalTrans.

(b) The CITY has reviewed this Agreement and the plan specifications for the proposed billboards and deems them categorically exempt pursuant to the California Environmental Quality Act ("CEQA") (Pub. Res. Code, Sections 21000 et seq.) as set forth in 14 Cal Code Regs. Section 15303.

(c) The CITY and REGENCY agree that the billboards shall be generally situated at opposite ends of the Fletcher Park parking lot which lies parallel to that stretch of the Interstate 10 Freeway which passes through the City of El Monte, California. Nevertheless, the precise location and design specifications for the billboards shall be set forth in the design plans to be submitted to the CITY by REGENCY prior to the issuance of any permits. Such design plans, once approved, shall be attached and incorporated hereto as Exhibit "A."

(d) REGENCY warrants, covenants and agrees to the following individually, jointly and severally:

(1) REGENCY shall comply with, and adhere to, all applicable federal, state and local laws and procedures in the construction, maintenance and use the billboards.

(2) Billboard One shall be a fourteen foot by forty-eight foot (14' x 48') two-faced, outdoor advertising structure built to accommodate "cut-outs" and "extensions." The precise specifications and location of Billboard One shall be set forth in detail in the design plans to be attached and incorporated hereto as Exhibit "A."

(3) Billboard Two shall be a twenty-four foot by twenty-six foot (24' x 26') two-faced, outdoor advertising structure built to accommodate "cut-outs" and "extensions." The precise specifications and location of Billboard Two shall be set forth in detail in the design plans to be attached and incorporated hereto as Exhibit "A."

(4) REGENCY shall contribute a one-time fee of four-hundred thousand dollars ($400,000) to the CITY for the construction and use of the Billboards. The fee shall be paid to the CITY upon issuance of building permits and following approval of this Agreement by the AGENCY and the CITY, whichever occurs first, and shall be presented to CITY at El Monte City Hall West 11333 Valley Boulevard, El Monte, CA 91731 or at any such place designated by the CITY in writing. If CalTrans declines to extend the "on-premises" use of the billboards for an additional ten (10) years pursuant to Section 5273, the CITY agrees to enter into good faith negotiations with REGENCY for the recalculation of the four-hundred thousand dollar ($400,000) fee.

(5) The term of this Agreement shall be for a period that does not exceed twenty (20) years from its date of execution and the Agreement may terminate as early as ten (10) years from its date of execution pursuant to Section 5273. The AGENCY shall negotiate with CalTrans in good faith but shall be under no obligation to accept any arrangement that imposes terms or conditions it deems onerous, unreasonable or detrimental to financial well-being of the CITY or the AGENCY. In the event that CalTrans and the AGENCY arrive at a mutually agreeable arrangement to extend the "on-premises" use of the Billboards pursuant to Section 5273, REGENCY shall not be requested to pay any additional fees to CITY or AGENCY.

(6) Within seventy-two (72) hours of receiving notice from the CITY, REGENCY shall, at no cost to the CITY, repair and/or correct any damage to the billboard caused by acts of vandalism, including but not limited to graffiti.

(7) REGENCY agrees to provide the CITY with the use of one billboard sign face of the CITY's choice for one thirty (30) day period per year for the purpose of advertising CITY approved events, programs or businesses. The CITY shall give REGENCY ninety (90) days notice of its desire to place such advertisement and provide to REGENCY camera-ready art work for the production of the ad copy. REGENCY shall pay the cost of preparing the advertising copy for such sign faces. REGENCY and the CITY shall make a good faith effort to schedule the CITY's use of the billboards in a manner that does not unduly interfere with REGENCY's existing contractual obligations.

(8) REGENCY shall not display, cause or permit to be displayed objectionable copy on either of the billboards. Objectionable copy shall include, but not be limited to, advertising for tobacco products, adult entertainment establishments, as well as advertising for shopping centers, automobile dealerships or big box stores located in cities other than the City of El Monte. The objectionable advertising specifically identified herein shall be objectionable per se and shall be strictly prohibited. REGENCY shall remove all objectionable copy within seventy-two (72) hours after receiving notice of the El Monte City Council's finding that certain copy is objectionable. A finding that advertising is objectionable shall be made after notice and fair hearing on the matter by the El Monte City Council. All findings of the City Council shall be final and non-appealable. Removal of objectionable advertising shall come at no cost to the CITY.

(9) REGENCY shall submit design plans to the CITY prior to the CITY granting any approval for the undertaking contemplated herein. The CITY shall use its best efforts to process the structural plans and issue a building permit expeditiously if the plans meet all CITY building codes.

(10) REGENCY shall utilize the billboards exclusively for the type of "on-premises" use consistent with Section 5273 or 5490.

(11) If the fees required by this Agreement (four hundred thousand dollars ($400,000)), are paid to the CITY by REGENCY and the project is not constructed within six (6) months, REGENCY will be refunded the total of all fees paid.

(12) While it is the desire of all parties that the Agreement last for a term of twenty (20) years from its date of its execution, REGENCY acknowledges and agrees, that pursuant to Section 5273, the Billboards shall cease to qualify as "on-premises advertising displays" after a period of ten (10) years from the date of execution of this Agreement, unless CalTrans extends the "on-premises" use of the billboards and the AGENCY and CalTrans arrive at a mutually acceptable arrangement for extending the "on-premises" use of the Billboards pursuant to Section 5273.

(13) REGENCY shall not be entitled to a refund of any portion of their initial four-hundred thousand dollar ($400,000) contribution, if CalTrans declines to issue an extension beyond the first ten (10) years of the Agreement.

(e) The CITY warrants, covenants and agrees to the following:

(1) The Fletcher Park Property has been properly zoned to allow the construction and use contemplated herein.

(2) The Fletcher Park Property is situated in the El Monte Redevelopment Project Area. Further, the CITY will use its best efforts to cause the several redevelopment areas within the CITY to be combined to enhance the advertisement value of the structures proposed.

(3) If REGENCY obtains all requisite approval and authorization to construct the billboards, the CITY shall execute a Department of Transportation "Certificate By Display Owner Of Display Within Redevelopment Projects." The CITY shall thereafter provide REGENCY with an official map of the city identifying the redevelopment area.

(4) For the duration of this Agreement, the CITY shall prevent trees, shrubs, buildings or other obstacles situated on CITY property from blocking the view of the billboards from that stretch of the Interstate 10 Freeway adjacent to the Fletcher Park Property and the billboards.

(5) REGENCY may trim and/or remove existing trees or other foliage that may obstruct the visibility of the Billboards from the Interstate 10 Freeway, provided they first obtain written permission from the Director of Parks & Recreation for the City of El Monte (the "Director") or his/her designated representative. In no case shall the CITY preclude trimming necessary to make all four faces of advertising fully visible from the east and west bound lanes of the adjacent freeway.

(6) The CITY shall provide REGENCY with unobstructed access to those portions of the Fletcher Park Property upon which the billboards shall be situated so that they may be constructed and maintained.

(7) REGENCY shall not be responsible for landscaping, irrigation and/or site improvements or maintenance to the surrounding property upon which the Billboards are located.

(8) REGENCY shall not be required to pay fees to the CITY other than the initial four hundred thousand dollar ($400,000) fee discussed in Section 2, subdivision (d)(4) above. Among the fees REGENCY shall not be required to pay are land use entitlement application fees, building plan check fees, building permit fees, business license fees and the like.

(9) After REGENCY has submitted all construction and design plans and after is has obtained all necessary approval and authorization to construct the billboards, the CITY shall use its best efforts to issue building permits for both billboards in an expeditious manner. The CITY, however, shall be under no obligation to issue building permits until it is satisfied that the plans satisfy all requisite specifications.

(10) While it is the desire of all parties that the Agreement last for a term of twenty (20) years from its date of execution, REGENCY acknowledges and agrees that pursuant to Section 5273, the Billboards shall cease to qualify as "on-premises advertising displays" unless the CalTrans permit is extended. If the permit is not extended by CalTrans, REGENCY will remove the structures at no cost to the CITY.

(11)If within six (6) months, the construction contemplated herein does not receive all requisite approval and cannot proceed, the CITY shall refund REGENCY their initial contribution of four hundred thousand dollars ($400,000) without interest.

SECTION 3 – TERM OF AGREEMENT, TERMINATION: This Agreement shall be for a term not to exceed twenty (20) years from the date of its execution and may terminate as early as ten (10) years from its date of execution if the permit is not extended by CalTrans, despite the CITY's request and if the AGENCY and CalTrans are unable to arrive at a mutually acceptable arrangement for the ten-year extension of the "on-premises" use contemplated herein. As specified in Section 1, subdivision (m) and (n), REGENCY understands that pursuant to Section 5273, the billboards shall cease to qualify as "on-premises advertising displays," and with certain exceptions, and unless extended by CalTrans, must be removed upon the earliest of the following dates: (a) the date the redevelopment project is completed or (b) ten (10) years following the date of execution of this Agreement. The CITY and the AGENCY desire that CalTrans extend the qualification period of both Billboards for an additional ten (10) years following the initial ten (10) year period provided the AGENCY and CalTrans are able to arrive at a mutually acceptable arrangement to extend the "on-premises" use contemplated herein.

SECTION 4 – INSURANCE: REGENCY shall maintain insurance with insurers approved by the CITY for the duration of the project; that is, from the time construction undertaking is commenced to such time as when the billboards are removed. REGENCY shall maintain insurance coverage that includes, but is not limited to, coverage for all risks and perils associated with the construction, maintenance and use of the billboards, including but not limited to comprehensive liability coverage for personal injury and/or property damage caused during the construction, maintenance or use of the billboards. Such coverage shall not at any time be for amounts less than one million dollars ($1,000,000). Proof of insurance coverage obtained by REGENCY shall be given to the CITY prior to approval of any permits authorization the construction of the billboards.

SECTION 5 – NOTICES: Whenever notices are required to be given pursuant to the provisions of this Agreement, the same shall be in written form and shall be served upon the party to whom addressed by personal service as required in judicial proceedings, or by deposit of the same in the custody of the United States Postal Service or its lawful successor in interest, postage prepaid, addressed to the Parties as follows:

CITY / AGENCY:	City of El Monte El Monte City Hall West 11333 Valley Boulevard El Monte, CA 91731
REGENCY:	Regency Outdoor Advertising, Inc. 8820 Sunset Blvd., Room F Los Angeles, CA 90069

Notices shall be deemed, for all purposes, to have been given on the date of personal service or three (3) consecutive calendar days following the deposit of the same with the United States Postal Service

SECTION 6 – INDEMNIFICATION: REGENCY (the "Indemnifying Parties") shall indemnify and hold free and harmless the CITY, the AGENCY and their respective officers, employees and agents (the "Indemnified Parties") from any claim, demand,

damage, liability, loss, cost, expense lien or judgment for any damage whatsoever, including but not limited to, death or injury to any person and/or damage to any property, real or personal (the "Damage"), proximately resulting from any intentional or negligent act or omission to act where a duty to act exists on the part of the Indemnifying Party or any of its officers, employees, or agents, in the performance of its obligations pursuant to this Agreement. The CITY and the AGENCY shall provide written notice to REGENCY of any suit, claim, action, legal or administrative proceeding, or demand made. Compliance with the provision of this Agreement requiring liability insurance coverage shall not be deemed to satisfy or limit REGENCY's indemnity obligations hereunder.

SECTION 7 – NON-DISCRIMINATION COVENANT: REGENCY covenant individually, jointly and severally and for and their respective successors and assigns that there shall be no discrimination against or segregation of any person or group of persons on the basis of race, color, creed, religion, sex, marital status, age, handicap, national origin or ancestry in the use of the construction, use and/or maintenance of the billboards.

SECTION 8 – BINDING EFFECT: The provisions of this Agreement shall be binding upon the CITY, the AGENCY and REGENCY and their respective successors in interest.

SECTION 9 - ASSISTANCE OF COUNSEL, AUTHORIZATION: Each party to this Agreement warrants to the other, the following:

(a) Each party either had the assistance of counsel or had counsel available to it, in the negotiation for, and execution of, this Agreement, and all related documents; and

(b) Each party has lawfully authorized the execution of this Agreement. REGENCY further warrants that shall provide the AGENCY with copies of a corporate resolution authorizing execution of this Agreement not less than five (5) working days following the execution of this Agreement.

SECTION 10 – SEVERABILITY: If any provision of this Agreement shall be held or deemed to be, or shall in fact be, illegal, inoperative, or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative, or unenforceable to any extent whatever.

SECTION 11 – MODIFICATION: This Agreement may be modified by mutual written Agreement of the parties only.

SECTION 12 – ASSIGNMENT: This Agreement may be assigned by REGENCY to any licensed outdoor advertising company in the State of California upon proper notification to the CITY and AGENCY for their approval. The AGENCY will not withhold approval of assignment to any company that has a regional presence and maintains a good reputation in the industry.

SECTION 13 – ATTORNEYS FEES: If any action is instituted to enforce the terms of this Agreement, the parties agree to pay for their respective costs and attorneys' fees.

SECTION 14 - TITLE: CITY represents and warrants that it owns the Fletcher Park Property in fee and that there are no easements or other encumbrances which would prohibit or interfere with construction of the billboards. CITY acknowledges that REGENCY may seek title insurance. In the event the CITY does not have authority to license the Billboards, REGENCY may terminate this Agreement and the fees paid hereunder shall be refunded.

SECTION 15 - NON-COMPETITION: CITY and AGENCY acknowledge and agree that they will not license or grant any other approvals to any party other than REGENCY for any other Billboards on the Fletcher Park Property.

SECTION 16 – EFFECTIVE DATE: The effective date of this Agreement shall be the ____ day of November 2001.

CITY OF EL MONTE, CALIFORNIA

By:_____
Harold O. Johanson
City Manager

APPROVED AS TO FORM

By:_____
E. Clarke Moseley
City Attorney

EL MONTE COMMUNITY REDEVELOPMENT AGENCY

By:_____
Harold O. Johanson
Executive Director

APPROVED AS TO FORM

By:_____
D. Wayne Leech
CRA Counsel

REGENCY OUTDOOR ADVERTISING, INC.

By:_____
Drake Kennedy, President

Exhibit A

Fletcher Park Proposal City of El Monte		
Drawn: sls	Date: 4-04-01	
Scale: 1" = 90'	Sheet: 1 of 1	

11/27/01

ATTACHMENT 9 – FEDERAL EXPRESS & CHANNEL PARCEL GROUND LEASE AGREEMENTS

12-30-96

EL MONTE COMMUNITY REDEVELOPMENT AGENCY
(ESTO-BALDWIN REDEVELOPMENT SURVEY AREA)

-- FEDERAL EXPRESS PARCEL GROUND LEASE --

THIS LEASE (the "Lease") is dated as of December 1, 1996, for the purposes of reference and convenience and is entered into by and between Stuart A. Riddle and Jeanne L. Riddle, co-trustees under Declaration of Trust, dated July 27, 1982 (the "Lessor") and the El Monte Community Redevelopment Agency (the "Lessee").

THE LESSEE AND LESSOR HEREBY COVENANT AND AGREE AS FOLLOWS:

1. BASIC PROVISIONS.

1.1 **Parties.** The Lessee and the Lessor are collectively referred to in this Lease as the "Parties" or may also be referred to individually as a "Party". The Lessee is a community redevelopment agency. The Lessor is a private property owner which holds title in the subject real property as a so-called family trust. The City of El Monte is not a party to this Lease.

1.2 **The Lease Affects the Federal Express Parcel.** This Lease affects certain real property referred to herein as the Federal Express Parcel. A legal description of the Federal Express Parcel is attached hereto as Exhibit "A" and incorporated herein by this reference. The real property demised and leased by the Lessor to the Lessee under the terms of this Lease consists of a portion of the Federal Express Parcel and is referred to in this Lease as the "Freeway Sign Site." A legal description of the Freeway Sign Site is attached hereto as Exhibit "B" and incorporated herein by this reference.

1.3 **Term of the Lease.**

(a) The Lease of the Freeway Sign Site shall commence on December 31, 1996 (the "Commencement Date") and, unless sooner terminated by the Agency or the Subtenant, the Lease shall end on the applicable date (the "Expiration Date") identified below:

(i) the twenty-first (21st) anniversary date following the date on which the conditional use permit for the Freeway Sign Improvements was approved by final action of the City of El Monte as provided in Paragraph 2.3(b); or

(ii) provided the First Option Notice described in Paragraph 1.3(b) has been given, the thirty-first (31st) anniversary date following the date on which the conditional use permit for the Freeway Sign Improvements was approved by final action of the City of El Monte; or

(iii) provided the Second Option Notice has been given and the Parties have agreed to the terms of the Second Optional Period, described in Paragraph 1.3(c), the forty-first (41st) anniversary date following the date on which the conditional use permit for the Freeway Sign Improvements was approved by final action of the City of El Monte.

(b) So long as the Lessee is not in Default or Breach under the Lease, either at the time of exercise of the optional term as provided in this Paragraph 1.3(b), or at the time the optional term commences, the Lessee shall have the option to extend the term of this Lease for an additional period of ten (10) years (the "First Optional Period") on the same terms, covenants and conditions of this Lease. The First Optional Period shall commence on the twenty-first (21st) anniversary date following the date on which the conditional use permit for the Freeway Sign Improvements was approved by final action of the City of El Monte, provided the Lessee has first given the Lessor the "First Option Notice" at least two (2) years but not more than three (3) years preceding the date provided in Paragraph 1.3(a)(i).

(c) So long as the Lessee is not in Default or Breach under the Lease, either at the time of exercise of the second optional period as provided in this Paragraph 1.3(c) or at the time the second optional term commences, the Lessee and the Lessor shall have the option in their mutual discretion to further extend the term of this Lease for an additional period of ten (10) years (the "Second Optional Period") on the terms, covenants and conditions as the Parties may agree in their mutual discretion. The Second Optional Period shall commence on the thirty-first (31st) anniversary date on which the conditional use permit for the Freeway Sign Improvements was approved by final action of the City of El Monte, provided the Lessee has first given the Lessor the "Second Option Notice" at least two (2) years but not more than three (3) years preceding the tenth (10th) anniversary date following the commencement of the First Optional Period; and further provided that the Parties have thereafter agreed in writing upon the terms, covenants and conditions applicable to the Second Optional Period. In the event that the Parties cannot mutually agree for any reason in the sole discretion of each as evidenced by a mutually executed written memorandum of lease terms, covenants and conditions for the Second Optional Period by a date which is no later than the ninth (9th) anniversary date of the First Optional Period, this Lease shall terminate at the end of the First Optional Period.

1.4 [RESERVED]

1.5 **Rental Amount Payable By Lessee Under the Lease.** The rental amount payable under this Lease shall be One Thousand Two Hundred Dollars ($1,200.00) per year payable to the Lessor in monthly installments of One Hundred ($100.00) per month (the "Rent"). The first installment of Rent shall be due on July 1, 1997, and shall include all amounts payable from December 31, 1996. Thereafter, each succeeding installment as Rent shall be paid on the lst day of each month.

1.6 **No Real Estate Broker Is Involved In This Lease.** Each of the Parties represents and warrants to the other Party that it has not used the services of a real estate broker in connection with the Lease and no real estate broker's fees or commission shall be payable by either of the Parties to a third party. Each Party hereby agrees to indemnify and defend the other from any demand or claim for payment of a real estate broker's commission which is alleged to be based upon a contract or claim to which the Party has agreed to pay to a third person in connection with the execution of the Lease.

1.7 **Intended Use of the Freeway Sign Site.**

(a) The Lessee intends to enter into a sublease arrangement relating to the Freeway Sign Site with a qualifying subtenant who shall use and improve the Freeway Sign Site for outdoor highway commercial advertising purposes. A description of the outdoor highway commercial advertising sign structure (the "Freeway Sign Improvements") which may hereafter be installed on the Freeway Sign Site is attached hereto as Exhibit "C" and incorporated herein by this reference.

(b) The Lessor hereby authorizes the Lessee to enter into a separate written sublease, use or license agreement with such a third party (herein "Subtenant") relating to the use and improvement of the Freeway Sign Site for the purposes authorized in this Paragraph 1.7. For the purpose of denoting such an authorized use arrangement by and among the Lessee and a third party under the terms of a written sublease, use or license arrangement, the words "Subtenant" as used herein means and refers to Stuart A. Riddle and Jeanne C. Riddle, co-trustees under Declaration of Trust, dated July 27, 1982, dba American Outdoor Advertising Co., or its permitted successor or assignee under the sublease with the Lessee. It is the express intention of the Parties that there be no merger of the rights, interests or estates of the Lessor and the Subtenant under any such separate written sublease or license agreement. During the term of this Lease, neither the Lessee or a Subtenant shall create a lien, mortgage or encumbrance upon the Freeway Sign Site which may affect any other part of the Federal Express Parcel, except upon the prior written consent of Lessor.

2. LEASE OF A PORTION OF THE FEDERAL EXPRESS PARCEL REFERRED TO HEREIN AS THE FREEWAY SIGN SITE TO THE LESSEE.

2.1 **Letting of Freeway Sign Site.** Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Freeway Sign Site, from the Commencement Date through the Expiration Date (and the First Optional Period and the Second Optional Period, if applicable), at the rental rate, and upon all of the other terms, covenants and conditions set forth in this Lease. Unless otherwise specifically permitted herein, the Lessee shall not have any right of use, occupancy or control of any other portion of the Federal Express Parcel.

2.2 **Condition of the Freeway Sign Site.** Lessor shall deliver the Freeway Sign Site to Lessee in an "as is" condition on the Commencement Date. Lessor shall have no duty or obligation to design, construct or install any improvement or to make repairs, replace or remove any structure or improvement as may be located on the Freeway Sign Site. Lessor shall have no duty or obligation to provide utility services to the Freeway Sign Site; provided, however, that Lessor shall cooperate with the Lessee and the Subtenant in providing for all necessary utility services to the Freeway Sign Site as necessary or appropriate to accommodate the use, improvement, operation and maintenance thereon of the Freeway Sign Improvements. Lessee shall assume all costs and obligations which may be associated with obtaining any utility service or other regulatory permits which may be convenient or necessary for the use, improvement, operation and maintenance of the Freeway Sign Site and the Freeway Sign Improvements.

2.3 **Special Covenants of the Parties Relating to the Freeway Sign Site.** The Parties acknowledge:

(a) The Lessor hereby covenants and warrants to the Lessee that the execution of this Lease by the Lessor and the use, improvement, operation and maintenance of the Freeway Sign Site and the Freeway Sign Improvements is not in conflict with any other covenant of title, encumbrance, use or occupancy affecting the Federal Express Parcel;

(b) The Lessor hereby covenants and warrants to the Lessee, based upon due and diligent inquiry, that the Lessor has no information or reason to believe that a release or threatened release of any "Hazardous Substance," as this term is defined in Paragraph 6.2, has occurred on or at the surface of the Freeway Sign Site (or upon any other portion of the Federal Express Parcel). The Lessor covenants and agrees for the period of time provided herein to indemnify and defend and hold the Lessee harmless from any and all claims, reasonable attorneys fees, liability damages, costs and expenses, including "response costs" which may be asserted by any third party against the Lessee arising from any remediation

and clean-up required under federal or state law as a result of any undiscovered or undisclosed contaminated condition of the Freeway Sign Site which is the result of a release or threatened release of any Hazardous substance on or at the surface of the Freeway Sign Site which occurred before December 31, 1996 (an "Environmental Claim"). The Lessee agrees to reasonably cooperate with the Lessor in the defense of an Environmental Claim asserted against the Lessee. The obligation of the Lessor to provide the foregoing indemnity as may arise under an Environmental Claim shall terminate and be of no further form or effect as of the tenth (10th) anniversary date following the date of termination of this Lease unless, prior to such date, written notice of any Environmental Claim hereunder has been tendered by the Lessee to the Lessor; and

(c) The Lessee does not assume any obligation or duty to the Lessor under this Lease, or, otherwise, to cause the Freeway Sign Improvements to be either approved by the City of El Monte in accordance with Applicable Law (as defined in Paragraph 6.3, below) or to be installed on the Freeway Sign Site by any third party on or before June 30, 1998. In the event that the Freeway Sign Improvements have not been installed and completed on the Freeway Sign Site by June 30, 1998, for any reason, the sole duty and obligation of the Lessee to the Lessor shall be to surrender possession of the Freeway Sign Site to the Lessor as provided in Paragraph 3.3(b), and, on such date, the Lease shall be deemed to have terminated by the mutual consent and agreement of the Parties and the Parties shall be mutually released from any further obligation which arises hereunder.

Initials of Lessor: _____ Initials of Lessee:

3. TERM

3.1 **Term.** The Commencement Date and Expiration Date of this Lease are as specified in Paragraph 1.3.

3.2. **Delay in Delivery of Possession the Freeway Sign Site.** If for any reason Lessor cannot deliver possession of the Freeway Sign Site to Lessee as agreed herein by the Commencement Date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease, or the obligations of Lessee hereunder, but in such case, Lessee shall not, except as otherwise provided herein, be obligated to pay rent or perform any other obligation of Lessee under the terms of this Lease until Lessor delivers possession of the Freeway Sign Site to Lessee. If possession of the Freeway Sign Site is not delivered to Lessee within sixty (60) days after the Commencement Date, Lessee may, at its option, by notice in writing to Lessor within sixty (60) days thereafter, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder.

3.3 **Early Termination of Lease By the Lessee.** (a) In addition to the Lease cancellation rights of the Lessee as provided in this Lease, the Lessee may terminate the Lease prior to the Expiration Date, in its sole discretion at any time in accordance with this Paragraph 3.3, upon the occurrence of any of the following events:

(i) the permits issued to the Subtenant by the California Department of Transportation for the Freeway Sign Improvements (Caltrans Permit No. 34698) may have expired or been revoked by final action of the California Department of Transportation;

(ii) the City of El Monte may, in its sole and absolute discretion, fail to grant a conditional use permit to the Subtenant for the Freeway Sign Improvements, in a form acceptable to the Subtenant, by December 31, 1997;

and clean-up required under federal or state law as a result of any undiscovered or undisclosed contaminated condition of the Freeway Sign Site which is the result of a release or threatened release of any Hazardous substance on or at the surface of the Freeway Sign Site which occurred before December 31, 1996 (an "Environmental Claim"). The Lessee agrees to reasonably cooperate with the Lessor in the defense of an Environmental Claim asserted against the Lessee. The obligation of the Lessor to provide the foregoing indemnity as may arise under an Environmental Claim shall terminate and be of no further form or effect as of the tenth (10th) anniversary date following the date of termination of this Lease unless, prior to such date, written notice of any Environmental Claim hereunder has been tendered by the Lessee to the Lessor; and

(c) The Lessee does not assume any obligation or duty to the Lessor under this Lease, or, otherwise, to cause the Freeway Sign Improvements to be either approved by the City of El Monte in accordance with Applicable Law (as defined in Paragraph 6.3, below) or to be installed on the Freeway Sign Site by any third party on or before June 30, 1998. In the event that the Freeway Sign Improvements have not been installed and completed on the Freeway Sign Site by June 30, 1998, for any reason, the sole duty and obligation of the Lessee to the Lessor shall be to surrender possession of the Freeway Sign Site to the Lessor as provided in Paragraph 3.3(b), and, on such date, the Lease shall be deemed to have terminated by the mutual consent and agreement of the Parties and the Parties shall be mutually released from any further obligation which arises hereunder.

Initials of Lessor: _____ Initials of Lessee: _____

3. TERM

3.1 **Term.** The Commencement Date and Expiration Date of this Lease are as specified in Paragraph 1.3.

3.2. **Delay in Delivery of Possession the Freeway Sign Site.** If for any reason Lessor cannot deliver possession of the Freeway Sign Site to Lessee as agreed herein by the Commencement Date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease, or the obligations of Lessee hereunder, but in such case, Lessee shall not, except as otherwise provided herein, be obligated to pay rent or perform any other obligation of Lessee under the terms of this Lease until Lessor delivers possession of the Freeway Sign Site to Lessee. If possession of the Freeway Sign Site is not delivered to Lessee within sixty (60) days after the Commencement Date, Lessee may, at its option, by notice in writing to Lessor within sixty (60) days thereafter, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder.

3.3 **Early Termination of Lease By the Lessee.** (a) In addition to the Lease cancellation rights of the Lessee as provided in this Lease, the Lessee may terminate the Lease prior to the Expiration Date, in its sole discretion at any time in accordance with this Paragraph 3.3, upon the occurrence of any of the following events:

(i) the permits issued to the Subtenant by the California Department of Transportation for the Freeway Sign Improvements (Caltrans Permit No. 34698) may have expired or been revoked by final action of the California Department of Transportation;

(ii) the City of El Monte may, in its sole and absolute discretion, fail to grant a conditional use permit to the Subtenant for the Freeway Sign Improvements, in a form acceptable to the Subtenant, by December 31, 1997;

(iii) the installation of the Freeway Sign Improvements has not been completed on the Freeway Sign Site by June 30, 1998, for any reason;

(iv) the sublease agreement by and between the Lessee and the Subtenant may have been terminated by its terms.

(b) The Lessee may exercise its power of early termination by transmitting to the Lessor a written notice of termination signed by an officer of the Lessee (the "Notice of Termination"). The Notice of Termination shall specify an early termination date for the Lease which shall be not less than thirty (30) days following the date of the Notice of Termination. Upon the early termination date indicated in the Notice of Termination, the Lessee shall have no further obligation to pay rent or other charges relating to the Freeway Sign Site which may accrue after the early termination date, provided that the Lessee has vacated the Freeway Sign Site.

3.4. **Holding Over By Lessee.** If the Lessee remains in possession of the Freeway Sign Site after the Expiration Date, the Lessee will occupy the Freeway Sign Site as a tenant from month-to-month, subject to all terms, conditions, provisions and obligations of this Lease in effect on the last day of the Lease.

4. RENT.

4.1 **Rent.** Lessee shall cause Rent to be paid and received by the Lessor in monthly installments in lawful money of the United States, without offset or deduction, on or before the day on which it is due under the terms of this Lease. Payment of Rent shall be made to the Lessor at its address stated herein or to such other persons or at such other addresses as Lessor may from time to time designate in writing to the Lessee.

5. [RESERVED]

6. Use of the Freeway Sign Site.

6.1 **Use.** Lessee and its Subtenant shall use and occupy the Freeway Sign Site only for the purposes set forth in Paragraph 1.7, or for any other use which is comparable thereto, and for no other purpose. Lessee shall not use the Freeway Sign Site nor permit its Subtenant to install, operate or maintain the Freeway Sign Improvements on the Freeway Site in a manner that creates waste or a nuisance, or that disturbs owners and/or occupants of, or causes damage to, neighboring premises or properties.

6.2 Hazardous Substances.

(a) Reportable Uses Require Consent of the Lessor. The term "**Hazardous Substance**" as used in this Lease shall mean any product, substance, chemical, material or waste whose presence, nature, quantity and/or intensity of existence, use, manufacture, disposal, transportation, spill, release or effect, either by itself or in combination with other materials expected to be on the Freeway Sign Site, is: (i) potentially injurious to the public health, safety or welfare of the environment or the Freeway Sign Site, (ii) regulated or monitored by any governmental authority, or (iii) a basis for liability of Lessor to any governmental agency or third party under any applicable statute. Hazardous Substance shall include, but not be limited to, hydrocarbons, petroleum, gasoline, crude oil or any products, by-products or fractions thereof. Lessee shall not authorize or engage in any activity in, on or about the

Freeway Sign Site which constitutes a Reportable Use (as hereinafter defined) of Hazardous Substances without the express prior written consent of Lessor and compliance in a timely manner (at Lessee's sole cost and expense) with all Applicable Law (as defined in Paragraph 6.3). **"Reportable Use"** shall mean the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority. Reportable Use shall also include Lessee's being responsible for the presence in, on or about the Freeway Sign Site of a Hazardous Substance with respect to which any applicable law requires that a notice be given to persons entering or occupying the Freeway Sign Site or neighboring properties. Notwithstanding the foregoing, Lessee and its Subtenant may, without Lessor's prior consent, but in compliance with all applicable law, use any ordinary and customary materials, including petroleum based products as used in the course of installation and daily operation and maintenance of the Freeway Sign Improvements.

(b) **Duty to Inform Lessor.** If Lessee and/or its Subtenant knows, or has reasonable cause to believe, that a Hazardous Substance, or a condition involving or resulting from same, which is under the control of Lessee has come to be located in, on, under or about the Freeway Sign Site, other than as previously consented to be Lessor, Lessee shall immediately give written notice of such fact to Lessor. Lessee and/or its Subtenant shall also immediately give Lessor a copy of any statement, report, notice, registration, application, permit, business plan, license, claim, action or proceeding given to, or received from, any governmental authority or private party, or persons entering or occupying the Freeway Sign Site, concerning the presence, spill, release, discharge of, or exposure to, any Hazardous Substance or contamination in, on, or about the Freeway Sign Site, including but not limited to all such documents as may be involved in any Reportable Uses involving the Freeway Sign Site. Lessee and/or its Subtenant shall not be responsible to provide any such information concerning any Hazardous Substance which is not related or connected with the operations of the Lessee and/or its Subtenant, as applicable.

(c) **Indemnification.** Lessee shall indemnify, protect, defend and hold Lessor, its agent and employees, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, costs, claims, liens, expenses, penalties, permits and reasonable attorney's fees arising out of or involving any release of a Hazardous Substance or an unauthorized release from a storage tank brought onto the Freeway Sign Site by or for Lessee or under Lessee's control and/or under the control of its Subtenant. Lessee's obligations under this Paragraph 6.2 shall include, but not be limited to, the effects of any contamination or injury to a person or the environment created or suffered by Lessee and/or its Subtenant, and the cost of investigation (including attorney's fees and testing), removal, remediation, restoration and/or abatement thereof, and shall survive the Expiration Date or earlier termination of this Lease. No termination, cancellation or release agreement entered into by Lessor and Lessee shall release Lessee from its obligations under this Lease with respect to Hazardous Substances under the control of Lessee and/or under the control of its Subtenant, unless agreed to by Lessor in writing. However, Lessee and its Subtenant shall not be responsible for any release of Hazardous Substance on the Freeway Sign Site which may have occurred prior to the Commencement Date and Lessor hereby agrees to indemnify, protect, defend and hold Lessee and its Subtenant, their agents and employees harmless from and against any damage, liability, judgment, cost, claim, lien, expense, penalties, permits and reasonable attorneys fees arising out of or involving any unauthorized release of Hazardous Substance on or under the Freeway Sign Site which is alleged or found to have occurred prior to the Commencement Date.

6.3 **Lessee's Compliance with Law.** Except as otherwise provided in this Lease, Lessee and its Subtenant, shall, at their sole cost and expense, fully, diligently and in a timely manner, comply with all **"Applicable Law,"** which relates to the use of the Freeway Sign Site and the design, installation, operation and maintenance of the Freeway Sign Improvements. The term "Applicable Law" is used in

this Lease to include all laws, rules, regulations, ordinances, directives, permits, the requirements of applicable fire insurance underwriter or rating bureau now in effect or known as of the Commencement Date. Lessee shall, within five (5) days after receipt of Lessor's written request, provide Lessor with copies of all documents and information which evidences compliance with Applicable Law, including, but not limited to, permits, registrations, manifests, applications, reports and certificates, Lessor shall promptly notify Lessor in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving a failure by Lessee and/or its Subtenant to comply with any Applicable Law.

6.4 **Inspection; Compliance.** Lessor shall have the right to enter the Freeway Sign Site at any time in the case of an emergency, and otherwise at reasonable times, for the purpose of inspecting the condition of the Freeway Sign Site and for verifying compliance by Lessee and its Subtenant with this Lease and all Applicable Laws (as defined in Paragraph 6.3), and to employ experts and/or consultants in connection therewith and/or to advise Lessor with respect to Lessee's and the activities of its Subtenant, including but not limited to the installation, operation, use, monitoring, maintenance, or removal of any Hazardous Substance on or from the Freeway Sign Site.

7. MAINTENANCE OF THE FREEWAY SIGN SITE AND INSTALLATION AND MAINTENANCE OF THE FREEWAY SIGN IMPROVEMENTS, REPAIRS, UTILITY INSTALLATIONS, AND LESSEE TRADE FIXTURES AND ALTERATIONS.

7.1 Responsibilities of the Subtenant of Lessee.

(a) The Subtenant of Lessee may design, construct and install the Freeway Sign Improvements on the Freeway Sign Site, subject to and conditioned upon the Subtenant obtaining the final regulatory approvals of the City of El Monte relating to the Freeway Sign Improvements and appurtenant Utility Installations. The Lessee or its Subtenant may also install appropriate security fencing around the perimeter of the Freeway Sign Site if approved by the City of El Monte. Any improvement of the Freeway Sign Site and/or the Freeway Sign Improvements undertaken by the Subtenant shall be done in a good and workmanlike manner, with good and sufficient materials and in compliance with all Applicable Law. Lessee shall permit any Hazardous Substance to be spilled or released in, on, under or about the Freeway Sign Site as a result of the installation or use of the Freeway Sign Improvements or as a result of the use or operation of any Utility Installation or Trade Fixtures.

(b) The Lessee shall assume the obligation to cause the Freeway Sign Site to be maintained in as good a condition as delivered to the Lessee, reasonable wear and tear excepted, and the Lessee shall take all reasonable action to cause the Freeway Sign Improvements to be maintained and repaired by the Subtenant in a good and first class condition.

7.2 Lessor's Obligations.

(a) The Lessor shall deliver possession of the Freeway Sign Site to the Lessee in the condition described in Paragraph 2.2. The Lessor shall have no obligation to improve or maintain the Freeway Sign Site or to make any structural repair to the Freeway Sign Site or the Freeway Sign Improvements during the term of this Lease.

(b) The Lessor shall not approve or authorize the installation and operation of another outdoor commercial highway advertising freeway sign (*e.g.*: an advertising sign structure similar to the

Freeway Sign Improvements) elsewhere on the Federal Express Parcel unless the Lessee has first given its written approval.

(c) The Lessor shall not compete with, block, obstruct or interfere with the unobstructed view of the Freeway Sign Improvements. If any such obstruction occurs, the Lessee and/or the Subtenant may require the Lessor to remove the obstruction at the sole cost of the Lessor.

7.3 **Utility Installations; Trade Fixtures; Alterations.**

(a) Definitions. The term **"Utility Installations"** is used in this Lease to refer to all power panels, electrical distribution, security, fire protection systems, communication systems, lighting fixtures, irrigation system and fencing in, on or about the Freeway Sign Site. The term **"Trade Fixtures"** shall mean and refer to all of the machinery and equipment of the Subtenant that can be removed upon the termination of this Lease without doing material damage to the Freeway Sign Site. The term **"Alterations"** shall mean any minor improvements or other modification of the Freeway Sign Improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. Lessee shall not authorize or permit the Subtenant to install the Trade Fixtures, make any Alterations or Utility Installations in, on, under or about the Freeway Sign Site, except as provided within the scope of authorized work of the Freeway Sign Improvements described in Exhibit "B".

(b) Consent. Each Utility Installations that the Lessee may install shall be presented to Lessor in written form with proposed detailed plans. The Lessor hereby consents and authorizes the Lessee to arrange for and pay the cost, if any, for all appropriate or optional Utility Installations as necessary or appropriate to operate the Freeway Sign Improvements on the Freeway Sign Site. All consents given by Lessor shall be deemed conditioned upon: (i) all applicable permits required by governmental authorities have first been issued, (ii) all conditions of said permits shall be observed and complied with in a prompt and expeditious manner. Any Alterations of the Freeway Sign Improvements (following initial installation) shall be accomplished in a good and workmanlike manner, with good and sufficient materials, and in compliance with all applicable law. Lessee shall, promptly upon completion of the Utility Installations and any Alteration, furnish Lessor with as-built plans and specification therefor.

(c) Indemnification Relating to Utility Installations Freeway Sign Improvements and Alterations. The Lessee shall take all reasonable action to cause to be paid when due all claims for labor or materials furnished or alleged to have been furnished in connection with the Freeway Sign Improvements, the Utility Installations and any Alterations, or otherwise relating to the use of the Freeway Sign Site, which claims are or may be secured by any mechanics' or materialmen's lien against the Freeway Sign Site or the Federal Express Parcel . Lessee shall give Lessor not less than three (3) days notice prior to the commencement of any work in, on or about the Freeway Sign Site, and Lessor shall have the right to post notices of non-responsibility in or on the Freeway Sign Site as provided by law.

7.4 **Ownership and Removal of Freeway Sign Improvements; and Surrender; and Restoration of the Freeway Sign Site on the Expiration Date.**

Surrender/Restoration. The Freeway Sign Improvements and appurtenant Utility Installations and Alterations shall be the property of the Subtenant. Upon the earlier date of the Expiration Date or the Termination of this Lease, the Freeway Sign Improvements and related Utility Installations and Alterations, and all debris associated therewith, shall be removed from the Freeway Sign Site at no cost or expense to the Lessor. The Freeway Sign Improvements, Utilities Installations and

Alterations shall be removed by removing the Freeway Sign Improvements, including the structural sign columns(s) to no more than two (2) feet below existing surface grade of the Freeway Sign Site, filling the remaining section of the sign column with sand in-place and installing a new steel cap on top of the cut sign column section and then covering with dirt to match the existing surface grade of the Freeway Sign Site. The Lessee shall surrender the Freeway Sign Site to the Lessor on the Expiration Date in a good and first class condition; reasonable wear and tear excepted.

8. EVIDENCE OF SELF-INSURANCE AND INDEMNITY.

(a) Self Insurance Program of Lessee. The Lessee is a participating local agency member in a joint powers authority risk management program which provides a source of payment on an occurrence basis of certain property casualty and personal injury loss compensation amounts payable by the Lessee to third persons. This program is sometimes called "self-insurance" and the particular program in which the Lessee participates is identified as the "Independent Cities Risk Management Authority Liability Program (ICRMA). The current self-insured retention amount of the Lessee under the ICRMA program is $250,000.00 per occurrence and the ICRMA program provides "coverage" on an occurrence basis to the Lessee for casualty loss amounts (over the self-insured retention amount of the Lessee which is $250,000.00) up to $10.0 Million. The ICRMA program authorizes the Lessee to agree to provide coverage under the ICRMA program to the Lessor with respect to casualty and/or personal injury losses which may occur on the Freeway Sign Site.

The Lessee agrees to maintain in full force and effect during the term of the Lease casualty and/or personal injury loss protection which names the Lessor as an additional insured under the ICRMA program or if the ICRMA program is no longer available to the Lessee. Upon the request of the Lessor, the Lessee shall deliver an appropriate form of an endorsement and accompanying certificate issued by the ICRMA program in favor of Lessor which evidences this obligation of the Lessee hereunder.

Without affecting any other rights or remedies, Lessee and Lessor ("**Waiving Party**") each hereby release and relieve the other, and waive their respective right to recover damages (whether in contract or in tort) against the other, for loss of or damage to the interest of the Waiving Party in the Freeway Sign Site and/or the Freeway Sign Improvements arising out of or incident to the perils required to be insured against under Paragraph 8(a). The effect of such releases and waivers of the right to recover damages from such source of insurance coverage shall not be limited by the amount of insurance carried or required, or by any deductibles applicable thereto.

(b) Insurance of Subtenant. Lessee shall take all reasonable action to cause each Subtenant to obtain and keep in force during the term of this Lease a commercial general liability policy of insurance protecting Lessee and Lessor (as an additional insureds) against claims for bodily injury, personal injury and property loss or damage based upon, involving or arising out of the improvement, use, occupancy or maintenance of the Freeway Sign Improvements and Freeway Sign Site and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than $1,000,000 per occurrence. The policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an "insured contract" for the performance of the indemnity obligations of the Subtenant to the Lessee and to Lessor under this Lease. The limits of said insurance required by this Lease to be provided by the Subtenant shall not, however, limit the liability of the Subtenant nor relieve the Subtenant of any obligation hereunder. All insurance to be carried by the Subtenant shall be primary to and not contributory with any similar insurance carried by Lessor, whose insurance shall be considered excess insurance only.

Insurance required hereunder shall be in companies duly licensed to transact business in California and maintaining during the policy term a "General Policyholders Rating" of at least A(v), as set forth in the most current edition of "Best's Insurance Guide." Lessee shall cause to be delivered to Lessor certified copies of, or certificates evidencing the existence and amounts of, the insurance, and with the additional insureds, required under this Paragraph 8(b). No such policy shall be cancelable or subject to modification except after thirty (30) days prior written notice to Lessor. Lessee shall at least thirty (30) days prior to the expiration of such policies, furnish Lessor with evidence of renewals or "insurance binders" evidencing renewal thereof, or Lessor may order such insurance and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand.

(c) Indemnity. Except for Lessor's negligence, Lessee shall indemnify, protect, defend and hold harmless the Lessor and its agents, from and against any and all claims, loss of rents and/or damages, costs, liens, judgments, penalties, permits, reasonable attorney's fees, expenses and/or liabilities arising out of, involving, or in dealing with the use or occupancy of the Freeway Sign Site by Lessee, and out of any default or breach by Lessee in the performance in a timely manner of any obligation on Lessee's part to be performed under this Lease. The foregoing shall include, but not be limited to, the defense or pursuit of any claim or any action or proceeding involved therein, and whether or not (in the case of claims made against Lessor) litigated and/or reduced to judgment, and whether well founded or not. In case any action or proceeding be brought against Lessor by reason of any of the foregoing matters, Lessee upon notice from Lessor shall defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be so indemnified.

9. CONDEMNATION. In the event that any portion of the Federal Express Parcel is taken by an exercise of the power of eminent domain (or conveyed by Lessor in lieu of exercise of such power) and the right of the Lessee under this Lease to use or occupy the Freeway Sign Site is affected or diminished or the value of the Freeway Sign Improvements is reduced in any way thereby, the obligation of the Lessee to pay Rent under this Lease shall be subject to reduction or abatement on a date (the "Condemnation Date") that is the earlier of the date on which the condemning authority takes possession of the Freeway Sign Site (or the Freeway Sign Improvements have been impaired) or the date on which title to the Freeway Sign Site is vested in the condemning authority. In the event that the use or occupancy of the Freeway Sign Site by the Lessee and the value of the Freeway Sign Improvements are unaffected by any such exercise of the power of eminent domain, Rental payments under this Lease shall not be reduced or abated according to the preceding sentence. In the event that any taking of the Federal Express Parcel by an exercise of the power of eminent domain results in taking of the Freeway Sign Site and/or the Freeway Sign Improvements, either in whole or in part, the Lessee and the Lessor shall each be entitled to recover the full damage, just compensation and other amounts of costs and losses suffered by each of them as of the Condemnation Date on account of the taking of the Freeway Sign Site by the power of eminent domain; provided however that the Subtenant shall be entitled to petition for an award with respect to any loss which the Subtenant may incur in removing the Freeway Sign Improvements, Utility Installations, Trade Fixtures, Alterations, and the like relocation expenses and the loss of business goodwill and leasehold interest in the Freeway Sign Sites as a result of condemnation and the Lessor shall not be entitled to any portion of such award to the Subtenant.

10. REAL PROPERTY FREEWAY SIGN SITE TAXES FOR THE FREEWAY SIGN SITE.

10.1 **Payment of Taxes.** During the term of the Lease, the Lessee shall pay when due the Real Property Taxes, as defined in Paragraph 10.2, applicable to the Freeway Sign Site.

10.2 **Definition of "Real Property Taxes."** As used herein, the term "**Real Property Taxes**" shall include any form of ad valorem real and/or personal property tax or assessment (either general or special) or special benefit assessment improvement bond or bonds, levy or charge imposed upon the Freeway Sign Site and Freeway Sign Improvements by any local authority having the direct or indirect power to tax the Freeway Sign Site and Freeway Sign Improvements under Article XIII of the State Constitution or levy an assessment under Article XIII D of the State Constitution. The term "**Real Property Taxes**" shall also include any tax, fee, levy, assessment or charge, or any increase therein, imposed by reason of events occurring, or changes in applicable law taking effect, during the term of this Lease, including but not limited to a change in the ownership of the Freeway Sign Site or in the improvements thereon, the execution of this Lease, or any modification, amendment or transfer thereof, and whether or not contemplated by the Parties.

10.3 **Joint Assessment.** If the Freeway Sign Site and/or the Freeway Sign Improvements is (are) not separately assessed, the liability of the Lessee shall be an equitable proportion of the Real Property Taxes for the Federal Express Parcel included within the tax parcel as assessed, from the Commencement Date to the Expiration Date, and the allocation of such a joint assessment shall be determined by Lessor from the respective valuations assigned in the Los Angeles County Assessor work sheets or such other information as may be reasonably available. Lessor's reasonable determination thereof, in good faith, shall be conclusive.

10.4 **Tax Notice to the County.** The Lessee shall take all reasonable action to cause the Subtenant to execute upon the request of the Lessor, an appropriate form of a notice of responsibility of the Subtenant for payment of Real Property Taxes for filing by the Lessor with the Offices of the Assessor and the Tax Collector of the County of Los Angeles.

11. **UTILITIES.** The Lessee shall pay for all water, gas, light, power, telephone, and other utilities and services (if any) supplied to the Freeway Sign Site which may not be separately metered to the Lessee.

12. NO ASSIGNMENT OF THIS LEASE AND A SUBLEASE REQUIRES CONSENT OF LESSOR.

(a) The Lessee shall not assign this Lease in whole or in part.

(b) Except as authorized and consented to by the Lessor in Paragraph 1.7(b), the Lessee shall not further sublease all or part of the Freeway Sign Site without first obtaining the prior written consent of the Lessor, which the Lessor agrees will not be unreasonably withheld or delayed.

13. DEFAULT; BREACH; REMEDIES.

13.1 A "**Default**" is defined as a failure by the Lessee to observe, comply with or perform any of the terms, covenants, conditions or rules applicable to Lessee under this Lease. The failure by Lessee to cure a Default prior to the expiration of the applicable grace period (if any) is defined to be a "**Breach**", and the occurrence of any one or more of the following Breaches shall entitle Lessor to pursue the remedies set forth in Paragraphs 13.2 and/or 13.3:

(a) The vacating of the Freeway Sign Site without the intention to reoccupy same;

(b) Except as expressly otherwise provided in this Lease, the failure by Lessee to make any payment of Rent or any other monetary payment required to be made by Lessee hereunder, whether to Lessor or to a third party, or the failure of Lessee to fulfill any obligation under this Lease which endangers or threatens life or the Freeway Sign Site, where such failure continues for a period of thirty (30) days following written notice thereof by or on behalf of Lessor to Lessee.

(c) Except as expressly otherwise provided in this Lease, the failure by Lessee to provide Lessor with reasonable written evidence (in duly executed original form, if applicable) of: (i) compliance by Lessee with any applicable law under Paragraph 6.3, (ii) a failure by Lessee to rescind an unauthorized assignment or subletting under Paragraph 12, (iii) failure of the Lessee to execute any document requested under Paragraph 29 relating to an easement for the benefit of the Federal Express Parcel, or (iv) the Lessee's failure to acknowledge or approve of any other documentation or information which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure continues for a period of ten (10) days following written notice by or on behalf of Lessor to Lessee.

(d) A Default by Lessee as to any of the terms, covenants, conditions of provisions of this Lease which are to be observed, complied with or performed by Lessee, other than those specifically described in subparagraphs (a), (b) or (c), above, where such Default continues for a period of thirty (30) days after written notice thereof by or on behalf of Lessor to Lessee.

(e) The occurrence of any of the following events: (i) the making by Lessee of any general arrangement or assignment for the benefit of creditors; (ii) Lessee's becoming a "debtor" as defined in 11 U.S.C. Section 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within sixty (60) days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets or interest in this Lease, where possession is not restored to Lessee within thirty (30) days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets or interest in this Lease, where such seizure is not discharged within thirty (30) days; provided, however, in the event that any provision of this subparagraph (e) is contrary to any applicable law, such provision shall be of no force or effect, and shall not affect the validity of the remaining provisions.

13.2 **Remedies.** If Lessee fails to perform any affirmative duty or obligation of Lessee under this Lease, within thirty (30) days after written notice to Lessee (or in case of an emergency, without notice), Lessor may at its option (but without obligation to do so), perform such duty or obligation on Lessee's behalf, including but not limited to the obtaining of reasonably required insurance policies, or governmental licenses, permits or approvals. The costs and expenses of any such performance by Lessor shall be due and payable by Lessee to Lessor upon invoice therefor. If any check given to Lessor by Lessee shall not be honored by the bank upon which it is drawn, Lessor, at its option, may require all future payments to be made under this Lease by Lessee to be made only by cashier's check. In the event of a Breach of this Lease by Lessee, as defined in Paragraph 13.1, with or without further notice or demand, and without limiting lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach, Lessor may:

(a) Terminate Lessee's right to possession of the Freeway Sign Site by any lawful means, in which case this Lease and the term hereof shall terminate and Lessee shall immediately surrender possession of the Freeway Sign Site to Lessor. In such event Lessor shall be entitled to recover from Lessee any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Freeway Sign Site, and reasonable attorneys' fees. If termination of this Lease is obtained through the provisional

remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding the unpaid rent and damages as are recoverable therein, or Lessor may reserve therein the right to recover all or any part thereof in a separate suit for such rent and/or damages. If a notice and grace period required under subparagraphs 13.1 (b), (c) or (d) was not previously given, notice to pay rent or quit, or to perform or quit, as the case may be, given to Lessee under any statue authorizing the forfeiture of leases for unlawful detainer shall also constitute the applicable notice for grace period purposes required by subparagraphs 13.1 (b), (c) or (d). In such case, the applicable grace period under subparagraphs 13.1 (b), (c) or (d) and under the unlawful detainer statute shall run concurrently after the one such statutory notice, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Pursue any other remedy now or hereafter available to Lessor under the law against the Lessee or against the Subtenant either jointly or severally at the discretion of the Lessor.

(c) The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee (or the Subtenant, as applicable) from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Freeway Sign Site.

14. **SEVERABILITY.** The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

15. **INTEREST ON PAST-DUE OBLIGATIONS.** Any monetary payment due Lessor hereunder, not received by Lessor within thirty (30) days following the date on which it was due, shall bear interest from the thirty-first (31st) day after it was due at the rate of 12% per annum, but not exceeding the maximum rate allowed by law.

16. **TIME OF ESSENCE.** Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

17. NOTICES.

17.1 All notices required or permitted by this Lease shall be in writing and may be delivered in person (by hand or by messenger or courier service) or may be sent by facsimile transmission (FAX) and confirmed by United States First Class Mail, and shall be deemed sufficiently given if served in a manner specified in this Paragraph 17. The addresses noted adjacent to a Party's signature on this Lease shall be that Party's address for delivery or mailing of notice purposes. Either Party may, by written notice to the other, specify a different address for notice purposes. The address of the Lessee address for the purpose of mailing or delivering notices to Lessee shall be: Attn: Executive Director, El Monte Community Redevelopment Agency, 11333 Valley Boulevard, El Monte, California 91734 (818) 580-2001.

17.2 Any notice sent, as provided in Paragraph 17.1, shall be deemed given forty-eight (48) hours after the same is addressed as required herein and mailed with postage prepaid.

18. WAIVERS. No waiver by Lessor of the Default or Breach of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by Lessee of the same or of any other term, covenant or condition hereof. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to, or approval of, any subsequent or similar act by Lessee, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent. Regardless of Lessor's knowledge of a Default or Breach at the time of accepting rent, the acceptance of rent by Lessor shall not be a waiver of any preceding Default or Breach by Lessee of any provision hereof, other than the failure of Lessee to pay the particular rent so accepted. Any payment given Lessor by Lessee may be accepted by Lessor on account of moneys or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Lessor at or before the time of deposit of such payment.

19. RECORDING. This Lease shall not be recorded.

20. [RESERVED].

21. CUMULATIVE REMEDIES. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

22. COVENANTS AND CONDITIONS. All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions.

23. BINDING EFFECT; CHOICE OF LAW. This Lease shall be binding upon the parties, their personal representatives, successors and assigns and be governed by the laws of California. Any litigation between the Parties hereto concerning this Lease shall be initiated in Los Angeles County, State of California.

24. ATTORNMENT AND NON-DISTURBANCE.

24.1 Attornment. Lessee for itself and for the Subtenant agrees to attorn to a lender or any other party who may obtain a pledge of collateral or security interest in the Federal Express Parcel from the Lessor within twenty (20) business days following its receipt of the form of a certificate of acknowledgment of attornment from the Lessor or lender, and in the event that the Lessee may fail to accept and execute such a certificate of acknowledgment for any reason, this Lease shall terminate and the Lessee shall vacate the Freeway Sign Site within thirty (30) days thereafter. Such certificate of attornment may require the Lessee for itself and for the Subtenant to agree that in the event of such foreclosure, such new owner of the Freeway Sign Site shall not: (i) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership, (ii) be subject to any offsets or defenses which Lessee might have against any prior lessor, or (iii) be bound by prepayment of more than one month's rent.

24.2 Non-Disturbance. For so long as no Breach under the Lease has occurred, no lender shall disturb the right of the Lessee to possession of the Freeway Sign Site.

24.3 Self-Executing. The agreements contained in this Paragraph 24 shall be effective without the execution of any further documents; provided, however, that, upon written request from Lessor or a Lender in connection with a sale, financing or refinancing of the Freeway Sign Site, Lessee and Lessor shall execute such further writings as may be reasonably required to separately document any attornment and/or non-disturbance agreement as is provided for herein.

25. ATTORNEY'S FEES. If either Party brings an action or proceeding to enforce the terms hereof or declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorney's fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term, **"Prevailing Party"** shall include, without limitation, a Party who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgement, or the abandonment by the other Party of its claim or defense. The attorney's fee award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorney's fees reasonably incurred. Lessor shall be entitled to attorney's fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach.

26. [RESERVED]

27. TERMINATION; MERGER. Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any interest in the Freeway Sign Site of the Subtenant

28. SECURITY MEASURES. Lessee hereby acknowledges that the rental payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Freeway Sign Site and any person who uses the Freeway Sign Site from the acts of third parties.

29. RESERVATIONS. Lessor reserves to itself the right, from time to time, to grant, without the consent or joinder of Lessee, such easements, rights, and dedications, affecting the larger parcel of which the Freeway Sign Site is a part, that Lessor deems necessary, and to cause the recordation of parcel maps and restrictions affecting the Freeway Sign Site and the larger parcel of which the Freeway Sign Site is a part, so long as such easements, rights, dedications, maps and restrictions do not unreasonably interfere with the use of the Freeway Sign Site by Lessee. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate any such easement rights, dedication, map or restrictions.

30. PERFORMANCE UNDER PROTEST. If at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest"

and such payment shall not be regarded as a voluntary payment and there shall survive the right on the part of said Party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay under the provisions of this Lease.

31. **Authority.** If either Party hereto is a corporation, trust, or general or limited partnership, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on its behalf. If Lessee is a corporation, trust or partnership, Lessee shall, within thirty (30) days after request by Lessor, deliver to Lessor evidence satisfactory to Lessor of such authority.

32. [RESERVED]

33. **OFFER OF LEASE.** This Lease is not intended to be binding until its execution is authorized by the governing body of the Lessee upon the satisfactory conclusion of a public hearing and thereafter is executed by all Parties hereto.

34. **AMENDMENTS.** This Lease may be modified at any time by written amendment, signed by the Parties. As long as a proposed modification does not materially change Lessee's obligations hereunder, Lessee agrees to promptly make such a reasonable non-monetary modification to this Lease as may be reasonably required by an institutional lender or insurance company in connection with the Lessor obtaining customary financing or refinancing of the Freeway Sign Site.

35. SPECIAL COMMUNITY REDEVELOPMENT COVENANTS OF THE PARTIES RELATING TO THIS LEASE.

(a) Upon the execution of this Lease and continuously thereafter during its term, the Agency shall have no power of eminent domain to acquire any portion of the Federal Express Parcel or the Freeway Sign Site pursuant to the exercise of the power of eminent domain as may be authorized under Health and Safety Code Section 33391 for community redevelopment purposes. Notwithstanding any provision of the preceding sentence to the contrary, such a restriction and prohibition against the power of the Lessee as a community redevelopment agency to exercise the power of eminent domain with respect to the Federal Express Parcel and/or the Freeway Sign Site, the power of no other governmental agency, including without limitation, the City of El Monte, shall deem to be effected or limited by this covenant of the Lessee.

(b) The Lessor hereby agrees that during the term of this Lease, it shall not object or oppose the efforts of the Lessee as a community redevelopment agency to include any portion of the Federal Express Parcel in a redevelopment project area, or oppose any plan or proposal for the redevelopment of nearby lands which may be undertaken by any third Party pursuant to a written agreement by and between such third Party and the Lessee, as a community redevelopment agency.

(c) In view of the community redevelopment covenants of the Parties contained herein, no advertising copy display shall be permitted to appear on the Freeway Sign Improvements which in any way relates to the sale or promotion for sale or human consumption of the following consumer products:

tobacco products, including, cigarettes, cigars, chewing tobacco and the like; or

any distilled alcohol spirit intended for human consumption.

The Lessee shall take all necessary action to ensure that this special redevelopment covenant is not violated at any time during the term of this Lease; provided, however, advertising copy which is limited to the announcement of a specific community event, sporting event, or other public assembly which may be sponsored in whole or in part by a manufacturer of a consumer products described in this subparagraph shall not be deemed to be prohibited by this special redevelopment covenant where the advertising copy display does not promote the sale of such consumer products.

36. MULTIPLE PARTIES. Except as otherwise expressly provided herein, if more than one person or entity is named herein as either Lessor or Lessee, the obligations of such multiple parties shall be the joint and several responsibility of all persons or entities named herein as such Lessor or Lessee.

The terms and conditions of the El Monte Community Redevelopment Agency Resolution No. R-_____, dated December _____, 1996, are hereby incorporated into this Lease and shall be given full force effect hereunder.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALLY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE FREEWAY SIGN SITE.

NO REPRESENTATION OR RECOMMENDATION IS MADE BY EITHER PARTY OR THEIR AGENTS OR EMPLOYEES AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION TO WHICH IT RELATES; THE PARTIES SHALL RELY SOLELY UPON THE ADVICE OF THEIR OWN COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.

The Parties hereto have executed this Lease at the place on the dates specified above their respective signatures, and this Lease may be executed in counterparts and when fully executed by the Parties, each counterpart shall be deemed to be part o f the original Lease.

Executed at EL MONTE
on December 30, 1996

LESSEE:

El Monte Community
Redevelopment Agency

By _____
Chairperson

By _____
Deputy Agency Secretary

By _____
Assistant Agency Executive Director

Approved As To Form:

_____ 12-30-96
Agency General Counsel

Executed at _____
on December _____, 1996

LESSOR:

Stuart A. Riddle and Jeanne L. Riddle,
co-trustees under Declaration of Trust,
dated July 27, 1982

By _____
Stuart A. Riddle, co-trustee

By _____
Jeanne L. Riddle, co-trustee

The Parties hereto have executed this Lease at the place on the dates specified above their respective signatures, and this Lease may be executed in counterparts and when fully executed by the Parties, each counterpart shall be deemed to be part o f the original Lease.

Executed at _____
on December _____, 1996

LESSEE:

El Monte Community
Redevelopment Agency

By _____
Chairperson

By _____
Agency Secretary

By _____
Agency Executive Director

Approved As To Form:

_____
Agency General Counsel

Executed at San Gabriel
on December 31, 1996

LESSOR:

Stuart A. Riddle and Jeanne L. Riddle,
co-trustees under Declaration of Trust,
dated July 27, 1982

By Stuart A. Riddle, co-Trustee
Stuart A. Riddle, co-trustee

By Jeanne L. Riddle, Co-Trustee
Jeanne L. Riddle, co-trustee

EXHIBIT "A"

LEGAL DESCRIPTION OF THE FEDERAL EXPRESS PARCEL

FEDERAL EXPRESS PARCEL

That portion of the Northeast quarter of fractional Section 20, Township 1 South, Range 11 West, San Bernardino meridian, in the county of Los Angeles, state of California, according to the official plat thereof, described as follows:

Beginning at the northerly terminus of that certain course in the westerly boundary line of the land conveyed to the State of California by deed recorded April 21, 1955, in book 47555 page 444, Official Records, in the office of the county recorder of said county, said course in said westerly boundary line being described in said deed as having a bearing and distance of South 9° 55' 45" West 137.29 feet; thence South 9° 55' 45" West along said westerly line 129.73 feet to a point in the curved northeasterly line of the land described in deed to the City of El Monte, recorded December 10, 1956, in book 53081 page 110 of Official Records, said curved northeasterly line being concave northeasterly having a radius of 65.00 feet; thence westerly along said curve through a central angle of 54° 31' 46" an arc distance of 61.86 feet; thence tangent to said curve North 34° 55' 37" West 132.33 feet to the beginning of a tangent curve concave southerly and having a radius of 82.61 feet; thence northwesterly along said curve through a central angle of 19° 20' 24" an arc length of 27.88 feet to the most westerly corner of the land conveyed to the State of California by said deed; thence along the boundary line of said land south 80° 34' 45" East 172.63 feet to the point of beginning.

Said land being shown on a record of survey filed in book 79 page 84 of Record of Surveys, in the office of the county recorder of said county.

Except all minerals, including gas, oil, petroleum, naptha and all other hydrocarbon substances, in, on, or under those portions of the land hereby conveyed, described as Parcel 1 and Parcel 4 in that certain deed dated April 20, 1921, from Huntington Land and Improvement Company to Los Angeles County Flood Control District, recorded June 8, 1921, in book 310 page 173 of Official Records, of said Los Angeles County.

(FROM RECORDED INSTRUMENT NO 82- 1122180)

FEDERAL EXPRESS PARCEL

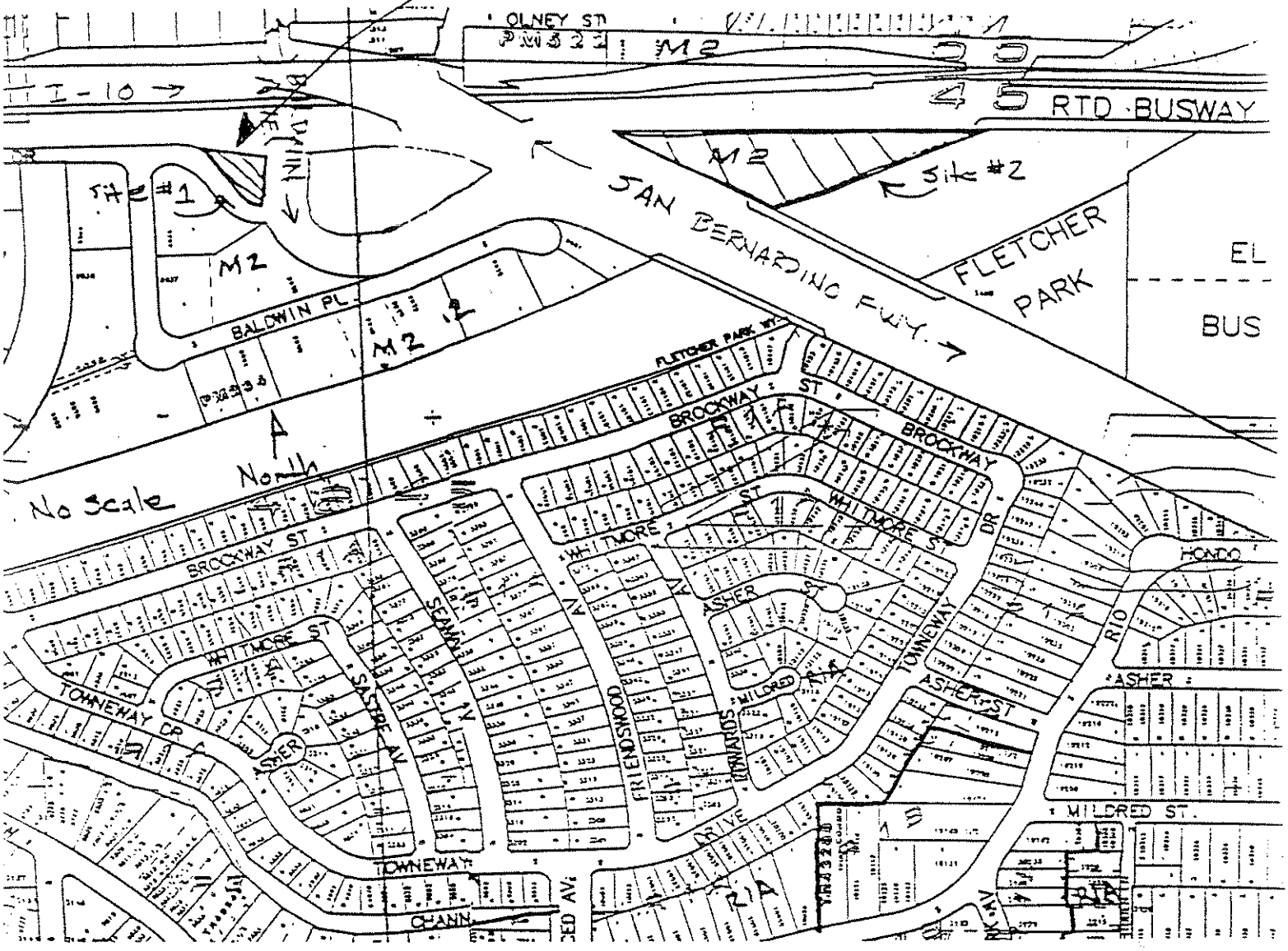

FIGURE NO. 2

Location Map

FEDERAL EXPRESS PARCEL

PAGE 2 OF 2

THIS PAGE IS INTENDED TO PROVIDE A POINT OF REFERENCE FOR CONVENIENCE ONLY, LEGAL DESCRIPTION OF THE FEDERAL EXPRESS PARCEL IS FOUND ON PAGE 1 OF 429

EXHIBIT "B"

LEGAL DESCRIPTION OF THE FREEWAY SIGN SITE

(Portion of the Federal Express Parcel)

FREEWAY SIGN SITE
(FEDERAL EXPRESS PARCEL)

GENERAL VICINITY
ONLY — SEE BELOW

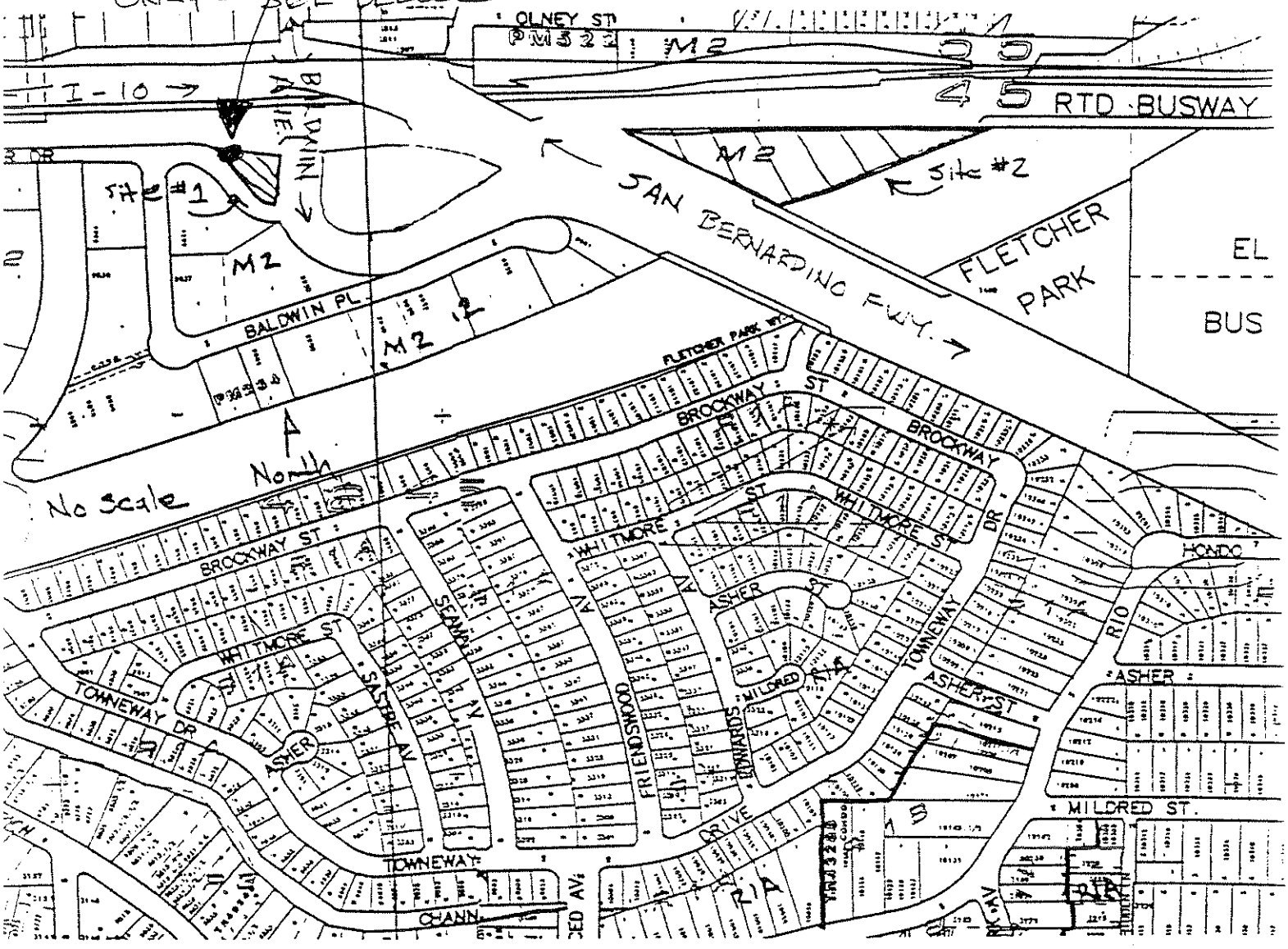

FIGURE NO. 2

Location Map

THIS MAP IS FOR THE LIMITED PURPOSE OF GENERALLY IDENTIFYING THE LOCATION OF THE FREEWAY SIGN SITE WITHIN THE LARGER PARCEL OF LAND REFERRED TO AS THE "FEDERAL EXPRESS PARCEL". A DETAILED METES AND BOUNDS LEGAL DESCRIPTION OF THE FEDERAL EXPRESS/FREEWAY SIGN SITE IS IN PREPARATION AND THE PARTIES AGREE TO SUBSTITUTE SUCH METES AND BOUNDS LEGAL DESCRIPTION FOR THIS EXHIBIT PROMPTLY UPON ITS COMPLETION

EXHIBIT "C"

ITEMIZED LIST OF FUNCTIONAL
ELEMENTS OF THE FREEWAY SIGN IMPROVEMENTS

The Freeway Sign Improvements, together with all the appurtenant Utility Installations, Trade Fixtures and Alterations to be installed on the Freeway Sign Site shall include the following elements:

- Structural steel column which has been designed, engineered and installed on the Freeway Sign Site with appropriate foundation improvements to support the load and operation of the two (2) Bulletin Panels and the Freeway Sign Improvements;
- maximum height of the structural steel support column and/or the top of the highest Bulletin Panel, shall not exceed 75 feet above the existing surface grade of the Federal Express Parcel;
- the steel column shall support two (2) separate "Bulletin Panels" which measure approximately 18 feet by 48 feet, more or less, including cut-outs, extensions and/or embellishments;
- each Bulletin Panel shall be illuminated;
- the structural steel sign column, foundations and each Bulletin Panel and related improvements shall be maintained in a good and first-class condition in accordance with the Lease;
- a depiction of the Freeway Sign Improvements upon completion (as viewed east-bound only) is attached to this Exhibit for purposes of reference and convenience;
- the Freeway Sign Improvements shall include such other structural and utility improvements as required by Applicable Law.

Dated: 12-30-96

By _____
Lessee

Dated: _____

By _____
Lessor

FEDERAL EXPRESS PARCEL C PAGE 1 OF 2

EXHIBIT "C"

ITEMIZED LIST OF FUNCTIONAL
ELEMENTS OF THE FREEWAY SIGN IMPROVEMENTS

The Freeway Sign Improvements, together with all the appurtenant Utility Installations, Trade Fixtures and Alterations to be installed on the Freeway Sign Site shall include the following elements:

- Structural steel column which has been designed, engineered and installed on the Freeway Sign Site with appropriate foundation improvements to support the load and operation of the two (2) Bulletin Panels and the Freeway Sign Improvements;
- maximum height of the structural steel support column and/or the top of the highest Bulletin Panel, shall not exceed 75 feet above the existing surface grade of the Federal Express Parcel;
- the steel column shall support two (2) separate "Bulletin Panels" which measure approximately 18 feet by 48 feet, more or less, including cut-outs, extensions and/or embellishments;
- each Bulletin Panel shall be illuminated;
- the structural steel sign column, foundations and each Bulletin Panel and related improvements shall be maintained in a good and first-class condition in accordance with the Lease;
- a depiction of the Freeway Sign Improvements upon completion (as viewed east-bound only) is attached to this Exhibit for purposes of reference and convenience;
- the Freeway Sign Improvements shall include such other structural and utility improvements as required by Applicable Law.

Dated: _____

By _____
Lessee

Dated: 12-3-96

By _____
Lessor

9851 Flair Dr.

PAGE 2 OF 2

FEDERAL EXPRESS PARCEL

ATTACHMENT 10 – RESTATED OWNER PARTICIPATION AGREEMENT & GUNDERSON RESTATED OPA STAFF REPORT – HYUNDAI SITE

This page is part of your document - DO NOT DISCARD

20070693748 Pages: 013

Recorded/Filed in Official Records
Recorder's Office, Los Angeles County,
California

03/26/07 AT 08:00AM

Fee: 45.00
Tax: 0.00
Other: 0.00
Total: 45.00

TitleCompany

TITLE(S) : NOTICE OF REDEVELOPMENT AGREEMENT (HYUNDAI SITE)

LEAD SHEET

RECEIVED
MAY 22 2007
CRA

Assessor's Identification Number (AIN)
To be completed by Examiner OR Title Company in black ink.

Number of AIN's Shown

E249971

THIS FORM IS NOT TO BE DUPLICATED

STEWART TITLE

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

03/26/07
20070693748

El Monte Community Redevelopment Agency
11333 Valley Boulevard
El Monte, California 91731
Attn: Executive Director

3c-029-7955

(Space Above Line For Use By Recorder)

EL MONTE COMMUNITY REDEVELOPMENT AGENCY

NOTICE OF REDEVELOPMENT AGREEMENT
(Gunderson Auto Group and GSL Development)

-- HYUNDAI SITE --

Downtown El Monte Redevelopment Project

TO ALL INTERESTED PERSONS:

PLEASE TAKE NOTICE that GSL Development, LLC, a California limited liability company (the "Landlord") Gunderson Auto Group, a California limited liability company (the "Automobile Dealer") and the El Monte Community Redevelopment Agency, a public body corporate and politic (the "Agency") have entered into an agreement entitled "Restated Owner Participation Agreement (Gunderson Auto Group and GSL Development)", dated as of March 1, 2007 (the "Restated OPA").

The Restated OPA affects certain property located in the redevelopment project area of the Downtown El Monte Redevelopment Project, which is referred to in the Restated OPA including without limitation the lands identified in the Restated OPA as the "Hyundai Site" and the "Chevy Site." The Hyundai Site is more particularly described in the legal description attached hereto as Exhibit "A".

A copy of the Restated OPA is on file as a public record of the Agency and may be inspected by interested persons during the regular business hours of the Agency at 11333 Valley Boulevard, El Monte, California.

PLEASE TAKE FURTHER NOTICE that the Restated OPA includes without limitation the following provisions which affect the Hyundai Site as described in Exhibit "A":

(A) Section 3.4 of the Restated OPA provide in relevant part as follows:

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"**Section 3.4. Description of Approved Lenders and Conditions.**

(a) Subject to the close of the escrow established under the Agreement for Purchase of Real Property and the cancellation of the Hyundai Site Lease and further provided that no default exists under the Chevy Site Lease and this Agreement, the Agency hereby consents to the Developer placing a loan security interest on the Hyundai Site on the following terms and conditions:

(i) until such time as the GSL Development Option to Purchase the Chevy Site is exercised and the Notice of Redevelopment Agreement is recorded against the Chevy Site, the Landlord shall not encumber the Hyundai Site with more than Three Million Dollars ($3,000,000) in principal amount of aggregate indebtedness;

(ii) the holder of such loan security interest shall consent to the community redevelopment covenants in favor of the Agency as arises under Article IV of this Agreement with respect to the Hyundai Site.

The Landlord shall certify in writing addressed to the Agency that the proceeds of any such loan described in this Section 3.4(a) are or shall be used solely for the purpose of (A) acquiring Automobile Dealership(s) on the New Site which are owned or controlled by the Developer, or refinancing the cost of acquiring any such Automobile Dealerships; (B) providing working capital to the Landlord or for the Landlord to provide working capital loan(s) to the Automobile Dealer for the operation of the Automobile Dealerships on the New Site; or (C) acquiring the Chevy Site under the GSL Development Option to Purchase the Chevy Site.

...(c) The Landlord shall provide the Agency with a true and complete copy of the loan agreement and loan collateral security documents, which evidence a loan under either Section 3.4(a) or Section 3.4(b), within five (5) days following the creation of any such lender security interest in the Hyundai Site or the Chevy Site, as applicable. The secured lender under any such loan shall provide the Agency with written notice of default by the Landlord under such secured lender's loan agreement and loan collateral security documents."

(B) Section 4.1(a) and Section 4.1(f) of the Restated OPA provides as follows:

"**Section 4.1. Community Redevelopment Covenant for Automotive Retail Use of the New Site.**

(a) Subject to the close of the escrow established by the Landlord and the Agency under the Agreement for the Disposition of Real Property, the Landlord and the Automobile Dealer for themselves and each of their successors and assigns hereby covenant and agree that the Hyundai Site, and each parcel thereof, shall be used or reserved for use and occupancy solely for Automobile Dealership businesses for the term as provided in the Notice of Redevelopment Agreement recorded on the Hyundai Site...

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...(f) The community redevelopment covenants contained in this Section 4.1 are covenants which touch and concern the New Site, and each Site Parcel thereof, and run with the land for the benefit of the redevelopment project area of the Downtown El Monte Redevelopment Project. The community redevelopment covenants contained in this Section 4.1 shall have a term on each New Site Parcel which is the earlier date of: (i) twenty (20) years following the date of recordation of the Notice of Redevelopment Agreement for the particular New Site Parcel; or (ii) the tenth (10th) anniversary following the end of the Accounting Period for which the Landlord and the Automobile Dealer have submitted an appropriate written accounting detail to the Agency as set forth in Section 4.2, which evidences that the aggregate amount of Gross Taxable Retail Sales and Use Tax Receipts attributed to the Chevy Dealership and the Pontiac/GMC Dealership between October 1, 2006, and the end of the applicable Accounting Period preceding such written accounting, is not less than Five Hundred Million Dollars ($500,000,000) in Gross Taxable Retail Sales and Use Tax Receipts during the Accounting Periods covered in such written accounting."

(C) Section 4.6 of the Restated OPA provides as follows:

"Section 4.6. Property Taxes and Assessments.

(a) The Landlord and the Automobile Dealer for themselves and their successors and assigns agree to pay and discharge as they become due, promptly and before delinquency, all property taxes, assessments, rates and charges, whether general or special taxes or benefit assessments, which may be levied, assessed, charged, or imposed, or may become a lien or charge on the New Site, or any portion thereof.

(b) The covenants contained in this Section 4.6 are community redevelopment covenants which run with the land and each portion of the New Site and shall have a term and remain in effect for twenty (20) years following the date of recordation of the Notice of Redevelopment Agreement as applicable to each New Site Parcel."

(D) Section 4.8 of the Restated OPA provides in relevant part as follows:

"Section 4.8. Minimum Assessed Valuation Covenant Relating to the New Site.

(a) The Landlord hereby covenants and agrees for itself, and its successors and assigns that as of January 1, 2007, the assessed valuation of the Hyundai Site, for ad valorem property taxation purposes, shall be not less than $1,984,497 AC Dollars ($1,984,497). AC

...(d) Commencing on the July 1 next following the date on which the Landlord acquires the fee interest in the Chevy Site, if the Agency determines, following thirty (30) days prior written notice to the Landlord, that the assessed valuation of the New Site is less than the New Site Base Year Value, for general property tax purposes in any property tax year, the Landlord shall pay to the Agency the dollar amount of the

** APPROVED BY DAVE GONDEK
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difference between the property taxes actually paid during such property tax year by the Landlord under the tax rate applicable in such tax year for the assessed value of the New Site as reported by the Office of the County Assessor and the amount of property taxes which otherwise should have been paid by the Landlord for the New Site in such tax year (the "Fee in Lieu of Property Taxes"), if the New Site had been assessed for ad valorem property tax purposes at the New Site Base Year Value. For the purposes of this Section 4.8, the amount of the assessed value as reported by the Office of the Assessor of the County of Los Angeles relating to the property tax assessment for each New Site Parcel on the January 1 property tax lien date following the date on which the Landlord acquires the fee interest in the Chevy Site and on each January 1 thereafter shall be conclusive evidence of the Landlord's satisfaction of the New Site Base Year Value Covenant or the obligation of the Landlord to pay a Fee in Lieu of Property Taxes, as applicable. The Landlord covenants and agrees to pay the applicable amount of the Fee in Lieu of Property Taxes for the applicable New Site Parcel within ninety (90) days of receipt of a written invoice therefore from the Agency which references this Section 4.8 and sets forth the amount of the Fee in Lieu of Property Taxes as so payable.

(e) The Landlord further covenants and agrees for itself and its successors and assigns that in the event that the New Site, or any portion thereof, including the Chevy Site shall be conveyed or transferred or sold by the Landlord, to any entity or party, that is partially or wholly exempt from the payment of ad valorem property taxes pertinent to the New Site, or any portion thereof, then the Landlord shall cause such owner of such portion of the New Site which is partially or wholly exempt from the payment of ad valorem property taxes, as a condition of such sale to pay the Agency a fee in lieu of payment of such taxes each year in an amount which is determined by the Agency to be one percent (1.0%) of the full cash value of the New Site, or portion thereof as acquired by such owner; provided however, that this covenant of the Developer shall not apply to any transfer of the New Site, or a portion thereof, to a public agency, including the Agency. Such determination of "full cash value" for such in-lieu payment purposes under this covenant shall be established by the Agency each year, if necessary, by reference to the ad valorem property tax valuation principles and practices as generally applicable to a county property tax assessor under Section 2 of Article XIIIA of the California Constitution. In the event that the Agency may hereafter determine that an amount is payable by to the Agency by the owner of the New Site, or portion thereof as may be exempt from payment of ad valorem property taxes, as an in-lieu payment under this covenant in any tax year, then such amount shall be paid to the Agency for that tax year within ninety (90) days following transmittal of notice of invoice for payment of the in-lieu amount by the Agency to the Landlord or by such except owner.

(f) The Landlord hereby agree for itself and its successors and assigns in interest in the New Site, and each parcel thereof, that neither the Landlord or any occupant of the New Site or a portion thereof shall seek to obtain or authorize a reduction or other adjustment of the assessed valuation of the New Site, or any portion thereof, for ad valorem property tax purposes from the Office of the County Assessor, to an assessed valuation amount which is less than the New Site Base Year Value, plus an amount which shall be added to the New Site Base Year Value, commencing on the January 1,

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following the date on which the Landlord acquires the fee interest in the Chevy Site, and on each January 1, thereafter, as determined in accordance with Subdivision (b) of Section 2 of Article XIIIA of the California Constitution and Section 51(a) of the Revenue and Taxation Code.

(g) The covenants contained in this Section 4.8 are community redevelopment covenants which run with the land and each portion of the New Site and shall have a term and remain in effect for twenty (20) years following the date of recordation of the Notice of Redevelopment Agreement as to the applicable New Site Parcel."

(E) Section 4.9 of the Restated OPA provides as follows:

"**Section 4.9. <u>Building and Use Restrictions Applicable to Hyundai Site</u>.**

(a) The Landlord hereby covenants and agrees for itself and its successors and assigns that from and after the Effective Date, except for free-standing on-premise sign structures which shall be otherwise subject to compliance with all Applicable Laws and Regulations, no New Site Improvements shall be constructed on the Hyundai Site which exceed more than one (1) story or seventeen (17) feet in height, above existing surface grade, whichever height limitation is less.

(b) The Landlord hereby covenants and agrees for itself and its successors and assigns that the following activities shall not be conducted on the Hyundai Site:

(i) automobile body repair or collision damage repair;

(ii) automobile body painting;

(iii) automobile body dismantling.

(c) The land use restriction set forth in Section 4.9(b) as applicable to the Hyundai Site shall run in perpetuity. The building height restriction as applicable to the Hyundai Site under Section 4.9(a) shall have a term which is the shorter period of: (i) fifty (50) years following the date of recordation of the Notice of Redevelopment Agreement affecting the Hyundai Site; or (ii) the date following the expiration of the automobile retail sales and service land use restriction for the Hyundai Site under Section 4.1, when the Landlord, or the then owner of the Hyundai Site, shall have certified in writing to the Agency, that the Hyundai Site shall not be further used for any automobile retail sales and service purposes. Upon the written request of the owner of the Hyundai Site, the Agency shall execute in recordable form a notice of release of building height restrictions contained in Section 4.9(a), promptly following the delivery to the Agency of the written certification described in the preceding sentence. The covenants contained in this Section 4.9 shall be community redevelopment covenants which run with the Hyundai Site for the period as set forth herein."

(F) Section 4.11 of the Restated OPA provides in relevant part as follows:

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"**Section 4.11. Duty to Maintain the New Site First-Class Condition.**

(a) For so long as the Redevelopment Plan for the Downtown El Monte Redevelopment Project may be in effect, the Landlord and the Automobile Dealer for themselves and their successors and assigns hereby covenant and agree that each of them shall maintain the Hyundai Site and all existing and any New Site Improvements and landscaping thereon, in a state of first-class condition and repair at the sole cost and expense of the Landlord and/or the Automobile Dealer, as applicable. The words "first-class condition and repair", as used in this Section mean and refer to a level of maintenance and repair that is necessary to keep the Chevy Site and any existing improvements and the New Site Improvements and landscaping in an efficient and attractive condition. The improvements on the Hyundai Site which are in existence on the Effective Date shall be maintained in at least substantially equal in quality to the condition of such improvements as then in existence on the date of recordation of the Notice of Redevelopment Agreement for the Hyundai Site, reasonable wear and tear excepted. The Agency does not intend by the immediately preceding sentence that an improvement may not be deemed to be in a state of first-class condition and repair merely because of ordinary and reasonable wear and tear that does not materially reduce the attractiveness or utility of the particular improvement.

(c) The covenants contained in this Section 4.11 are community redevelopment covenants which run with the land and each portion of the New Site and shall have a term and remain in effect for twenty (20) years following the date of recordation of the Notice of Redevelopment Agreement as to such portion of the New Site."

(G) Interested persons may contact the El Monte Community Redevelopment Agency regarding the property and the community redevelopment project which is subject to the terms, conditions and community redevelopment covenants set forth in the Restated OPA:

Agency Executive Director
El Monte Community Redevelopment Agency
11333 Valley Boulevard
El Monte, California 91731
(626) 580-2001

AC

The Agency and the Landlord have caused this Notice of Redevelopment Agreement to be executed by their authorized officers whose signatures appear below. This Notice may be executed in counterparts and when fully executed may be deemed to be one original document.

LANDLORD

GSL Development, a California limited liability company

Date: 03/07/07

By: [signature]

AGENCY

El Monte Community Redevelopment Agency, a public body corporate and politic

Date: 03/07/07

By: Ernest G. Gutierrez
Agency Chair

By: James W. Mussender
Executive Director

APPROVED AS TO FORM:

[signature] 3-8-07
Agency Counsel

AC

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STATE OF CALIFORNIA }
} S.S.
COUNTY OF **Los Angeles** }

On **March 8, 2007** , before me, **Kathy S. Forgett** the undersigned, a Notary Public in and for said County and State, personally appeared **James W. Mussenden** personally known to me ~~(or 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.

WITNESS my hand and official seal.

Signature Kathy S Forgett

KATHY S. FORGETT
COMM. #1641557
NOTARY PUBLIC - CALIFORNIA
LOS ANGELES COUNTY
My Comm. Expires Feb. 26, 2010

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STATE OF CALIFORNIA }
} S.S.
COUNTY OF **Los Angeles** }

On **March 8, 2007** , before me, **Kathy S. Forgett** the undersigned, a Notary Public in and for said County and State, personally appeared **Ernest G. Gutierrez** personally known to me ~~(or 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.

WITNESS my hand and official seal.

Signature Kathy S Forgett

KATHY S. FORGETT
COMM. #1641557
NOTARY PUBLIC - CALIFORNIA
LOS ANGELES COUNTY
My Comm. Expires Feb. 26, 2010

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STATE OF CALIFORNIA }
} S.S.
COUNTY OF **Los Angeles** }

On **March 7, 2007** , before me, **Kathy S. Forgett** the undersigned, a Notary Public in and for said County and State, personally appeared **Scott Arthur Gunderson** personally known to me (~~or 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/the~~ir 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.

WITNESS my hand and official seal.

Signature Kathy S Forgett

KATHY S. FORGETT
COMM. #1641557
NOTARY PUBLIC - CALIFORNIA
LOS ANGELES COUNTY
My Comm. Expires Feb. 26, 2010

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EXHIBIT "A"

LEGAL DESCRIPTION OF THE HYUNDAI SITE

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EXHIBIT "A"

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF LOS ANGELES, DESCRIBED AS FOLLOWS:

PARCEL 1:

LOT 1 OF TRACT NO. 3886, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 42 PAGE 18 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2:

LOT 2 OF TRACT NO. 3886, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 42 PAGE 18 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT FROM THE ABOVE PARCELS 1 AND 2: ALL OIL, OIL RIGHTS, NATURAL GAS RIGHTS, MINERAL RIGHTS, ALL OTHER HYDROCARBON SUBSTANCES BY WHATSOEVER NAME KNOWN, AND ALL WATER, CLAIMS OR RIGHTS TO WATER, TOGETHER WITH APPURTENANT RIGHTS THERETO, WITHOUT, HOWEVER, ANY RIGHT TO ENTER UPON THE SURFACE OF SAID LAND NOR ANY PORTION OF THE SUBSURFACE LYING ABOVE, AS EXCEPTED OR RESERVED BY DEED RECORDED JULY 23, 1998 AS INSTRUMENT NO. 98-1266542, OF OFFICIAL RECORDS.

PARCEL 3:

THE SOUTH 50 FEET OF LOT 14 OF TRACT NO. 883, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 18 PAGE 39 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 4:

ALL OF LOT 5 AND THE EASTERLY HALF OF LOT 4, MEASURED ALONG THE NORTHERLY AND SOUTHERLY LINES OF SAID LOT 4 OF TRACT NO. 3886, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 42 PAGE 18 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 5:

THE NORTH 50 FEET OF LOT 14 OF TRACT NO. 883, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 18 PAGE 39 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

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PARCEL 6:

LOT 15 OF TRACT 883, IN THE CITY OF EL MONTE, AS PER MAP RECORDED IN BOOK 18 PAGE 39 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 7:

LOT 3 AND THAT PART OF LOT 4 OF TRACT 3886, IN THE CITY OF EL MONTE, AS PER MAP RECORDED IN BOOK 42 PAGE 18 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING THE SOUTHWESTERLY CORNER OF LOT 4, RUNNING THENCE NORTHERLY ALONG THE WESTERLY LINE OF SAID LOT TO THE NORTHWESTERLY CORNER THEREOF; THENCE EASTERLY ALONG THE NORTHERLY LINE OF SAID LOT, 24.68 FEET TO A POINT; THENCE SOUTHERLY IN A DIRECT LINE TO A POINT IN THE SOUTHERLY LINE OF SAID LOT 25 FEET EASTERLY FROM THE SOUTHWESTERLY CORNER THEREOF; THENCE WESTERLY ALONG THE SOUTHERLY LINE OF SAID LOT, 25 FEET TO THE POINT OF BEGINNING.

End of Legal Description

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EL MONTE COMMUNITY REDEVELOPMENT AGENCY

For Meeting of September 5, 2006

TO: CHAIRMAN AND AGENCY MEMBERS

FROM: JAMES W. MUSSENDEN, EXECUTIVE DIRECTOR JWM
EUGENE W. MOY, REDEVELOPMENT DIRECTOR

SUBJECT: PUBLIC HEARING ON RESTATED OWNER PARTICIPATION AGREEMENT AND AGREEMENT FOR DISPOSITION OF REAL PROPERTY AND ESCROW INSTRUCTION (Gunderson Automotive Group)

Background. Scott Gunderson, principal owner of two auto dealerships in El Monte, is requesting consideration of an auto dealer acquisition, relocation, and expansion concept. The concept has preliminarily been reviewed in closed session by the Agency, and direction was provided to Agency staff and Special Counsel to negotiate the business terms of agreements to implement the concept.

Essentially, Mr. Gunderson has an opportunity to acquire the Chevrolet dealership on Santa Anita Avenue from Power/Auto Nation. He also has an opportunity to purchase the land under the dealership from a third party landlord, El Monte Development Company I. He would then be able to consolidate his new and existing auto sales operations, with some modifications, onto the highly visible Santa Anita location. His move would also allow his existing Pontiac-GMC location on Valley Boulevard to be vacated and for the new El Monte Chrysler-Jeep-Dodge dealership, which has taken over the spot previously occupied by the single Dodge dealership on Peck, to move to Valley and to expand. That relocation would open up the former Dodge site for Spirit Honda to expand from the other side of the Union Pacific Railroad tracks.

To accomplish these moves, a number of existing operating conditions need to be modified. The Pontiac-GMC dealership property was financed with Agency assistance, and a new car operating covenant and new jobs creation covenant are in place. Similarly, the Scott Hyundai site at the northeast corner of Santa Anita and Brockway has a ten year operating covenant on a 1.9 acre parcel of land that is about 42% owned by Gunderson and 58% owned by the Redevelopment Agency. The Agency has leased its portion to Gunderson, with an option to purchase, but which can be exercised only if the owner-dealer generates $250 million in gross new car sales over a ten year period ending in 2015. Only 30% of that $250 million figure could be used car sales.

In order for the proposed acquisition, relocation, and expansion scenario to occur among the five new car dealerships, Gunderson requests the ability to use the Agency's 1.1 acre portion of the Hyundai site as collateral for a loan to assist with the purchase of the Power Chevrolet dealership and site. This requires Gunderson's ownership of the property, and Agency consent to early exercise by Gunderson of the purchase option on the Agency's property.

In exchange for the Agency's consent, it is proposed that the Hyundai new car sales covenant be applied to the to-be-acquired Chevrolet site, and merged with the Pontiac-GMC sales covenant that will be also transported to the Chevrolet site. The proposed combined new car sales covenant for Gunderson will then be $1,218,000,000 ($1.218 billion) which represents a maintenance of historic sales levels for each

B-1.

of the three dealership groupings to be merged on the Santa Anita properties. With the more freeway-visible but more packed-in dealership operations, there is a potential for General Motors, the manufacturer of the Chevrolet and Pontiac-GMC products, to require relocation of Hyundai operations elsewhere. However, the $1.218 billion sales covenant would remain on the Santa Anita properties, on both west and east sides.

With the potential acquisition of the Chevrolet property, an opportunity arises to improve some of the planning goals of the El Monte Transit Village project, the site of which is north of and behind the Chevrolet property. Gunderson has consented to inclusion of the Chevrolet site within the Transit Village Study and EIR review process, at no cost to Gunderson, and inclusion of said site into the Transit Village Plan/Specific Plan district currently being considered by Agency and City.

Gunderson has also consented to a new building prohibition and a purchase option on the westerly 1/3 of the Chevrolet site, which might assist with any transit-oriented development goals such as vehicular access, utility relocations, or other development concepts that may come out of the planning process. In exchange, Agency would make available a comparable replacement parcel along the westerly line of Santa Anita north of the Chevrolet dealership site, with similar frontage and land area, to Gunderson for long term lease, if desired. Gunderson would be under no obligation to exercise this right, even if the Agency exercises its purchase option on the westerly 1/3 of the Chevrolet parcel.

Fiscal Impact

Under the proposed Restated OPA, there are no associated expenses to the Agency. Additionally, the Agency would only exercise the option to purchase the west parcel upon completion of the El Monte Transit Village planning process, including certification of the final Specific Plan and EIR. The relocation of new car covenants would result in maintenance of new car sales operations within the Downtown El Monte Redevelopment Project Area. The expansion of the Honda dealership to the Dodge site, and the relocation of the Chrysler-Jeep-Dodge dealership to the former Pontiac-GMC site, would enable two growing operations to grow even further, sustain new sales tax growth for the City of El Monte and therefore provide potential new revenues for the City's general fund.

Notice has been published in the San Gabriel Valley Tribune on August 25, and August 30, 2006 for the public hearing on the proposed Restated Owner Participation Agreement, which includes the Agency purchase option for the west parcel (Agreement for Disposition of Real Property). Agency staff has determined that the Restated OPA shall not cause any adverse impact on the environment which has not previously been considered in the Mitigated Negative Declaration for the Hyundai new car dealership as previously certified by the City dated January 18, 2005.

Recommended Action

Staff recommends that the Agency Board:

1. Review the staff report with Agency staff;
2. Open the public hearing and receive public comments;
3. Close the public hearing;
4. Receive Agency member discussion and comments;
5. Approve the Restated Owner Participation Agreement and Agreement for Real Property Disposition and Escrow Instruction; and
6. Authorize the Chairman and Executive Director to authorize all necessary documents to implement the above approval.

ATTACHMENTS

1. Restated Owner Participation Agreement and Agreement for Real Property Disposition and Escrow Instruction
2. Exhibits to Restated OPA

EL MONTE COMMUNITY REDEVELOPMENT AGENCY

RESTATED OWNER PARTICIPATION AGREEMENT
(Gunderson Automotive Group)

THIS RESTATED OWNER PARTICIPATION AGREEMENT (this "Agreement"), is dated as of July 1, 2006, by and between Gunderson Automotive Group, LLC, a California limited liability company (the "Developer") and the El Monte Community Redevelopment Agency, a public body corporation and politic (the "Agency") and is entered into in light of the facts set forth in the following Recital paragraphs:

-- RECITALS --

[ADD APPROPRIATE RECITAL TEXT PRIOR TO EXECUTION]

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING RECITALS AND THE COVENANTS, CONDITIONS, REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS AGREEMENT, THE AGENCY AND THE DEVELOPER AGREE AS FOLLOWS:

ARTICLE I

Section 1.1. Purpose of Agreement.

(a) The purpose of this Agreement is to provide for the implementation of the Redevelopment Plan for the Downtown El Monte Redevelopment Project, as amended. Subject to the satisfaction of the conditions set forth herein, this Agreement provides for the early termination of that certain instrument entitled "Lease With Option to Purchase", dated as of June 1, 2005 (the "Agency Hyundai Site Lease") by and between the Developer and the Agency and for the exchange of certain consideration and community redevelopment covenants set forth in the Agency Hyundai Site Lease, for the consideration and alternative community redevelopment covenants set forth in this Agreement, subject to the terms and conditions set forth in this Agreement.

(b) In general terms, this Agreement provides for the following:

(i) an early termination of the Agency Hyundai Site Lease upon the close of the Developer's option escrow to acquire the fee interest in the "Agency Lands" as this term is defined below;

(ii) the modification and extension of the automotive retail sales use covenant contained in the Agency Hyundai Site Lease to both the Agency Lands as well as the other lands which are owned or shall be acquired hereafter by the Developer which are referred to herein as the "New Site";

(iii) the imposition of certain development and use restrictions on the Hyundai Site which limit building height and prohibit autobody repair and automotive painting work on the Hyundai Site for so long as the Hyundai Site is used for automobile retail sales or service related uses;

(iv) the grant by the Developer to the Agency of an option for the Agency to purchase from the Developer the "West Parcel", as hereafter defined, subject to certain conditions; and

(v) evidence the consent of the Developer to include the Chevy Site within the scope of the transit oriented development study being undertaken by the Agency in consultation with the State of California and the Los Angeles County Metropolitan Transportation Authority and the consent of the Developer to inclusion of the Chevy Site within the territory of a specific plan area or transit village plan area by the City of El Monte.

Section 1.2. Definitions.

In addition to the definitions ascribed to certain words, phrases or terms in the Recitals or other paragraphs or sections of this Agreement, the words, phrases or terms set forth below shall be defined as follows:

- ***Accounting Period*** means and refers to a period of four (4) calendar year quarters, except for the initial accounting period which shall include the twenty four (24) calendar year quarters from January 1, 2000 through December 31, 2006. Each succeeding four (4) calendar year Accounting Period after the initial Accounting Period shall be a four (4) calendar quarter period of time with the first such succeeding Account Period beginning on January 1, 2006.

- ***Agency*** means and refers to the El Monte Community Redevelopment Agency, a public body corporate and politic.

- ***Agency Deed*** means and refers to the deed transferring the Agency Property, to the Developer subject to the terms and conditions set forth in this Agreement. The form of the Agency Deed is attached as an exhibit to the Agreement for Disposition of Real Property.

- ***Agency Hyundai Site Lease*** means and refers to that certain instrument entitled "Lease With Option to Purchase", dated as of June 1, 2005, by and between the Developer and the Agency. A true and correct copy of the Agency Hyundai Site Lease is on file with the Agency Secretary.

- ***Agency Lands*** means and refers to the real property currently owned by the Agency as more particularly described in Exhibit "C".

- ***Agency Option Period*** shall mean and refer to the five (5) year period of time which shall commence upon the recordation of the Notice of Redevelopment Agreement, and which shall end on the fifth (5th) anniversary following the date of recordation of the Notice of Redevelopment Agreement unless prior to that time the Agency may acquire the West Parcel as set forth in Article B of this Agreement.

- ***Agreement for Disposition of Real Property*** means and refers to the instrument attached hereto as Exhibit "F". The Agency shall transfer the Agency Lands to the Developer subject to the terms and conditions of this Agreement, in accordance with the Agreement for Purchasing Real Property.

- ***Agreement for Purchasing Real Property*** means and refers to the instrument attached hereto as Exhibit "G". The Developer shall transfer the West Parcel, or so much thereof as designated in the notice of the Agency, to the Agency, subject to the terms and conditions of this Agreement, in accordance with the Agreement for Disposition of the Agency Lands.

- ***Annual Sales Tax*** means and refers to the amount of local sales and use tax proceeds which are remitted by the State Board of Equalization to the City during each Accounting Period, as the distribution of the local sales and use tax under Revenue and Taxation Code Section 7200 et seq., on the gross taxable retail sales and use receipts of each Automobile Dealership on the New Site, after collection by the State Board of Equalization from each Automobile Dealer as a result of the automobile dealer franchise business activities on the New Site of each Automobile Dealer.

- ***Applicable Laws and Restrictions*** means all laws (including without limitation the Americans With Disabilities Act, Environmental Laws and the conditional use permit either approved by the City as of the Effective Date, or as may hereafter be approved by the City authorizing the construction of any improvements on the New Site or any portion thereof), building codes, ordinances, regulations, and regulatory permits issued by any governmental agency with jurisdiction over the New Site or the business operations conducted on the New Site, and the term also means and includes title covenants, conditions, use restrictions, and insurance requirements applicable to the New Site and any subsequent improvements.

- ***Automobile Dealer*** means and refers to any one of the three (3) following business entities: (i) _____, doing business as of the Effective Date on the Hyundai Site as "Scott Hyundai"; (ii) _____, doing business as Scott Pontiac/GMC as of the Effective Date at _____ Valley Boulevard , El Monte, California; and (iii) _____, doing business as of the Effective Date on the Chevy Site as _____ [Chevy Dealership]. Following the close of the escrows the transfer of the Agency Lands to the Developer under this Agreement and the Agreement for Disposition of Real Property, each Automobile Dealer shall be owned and controlled by the Developer and each such Automobile Dealer shall conduct its business on the New Site pursuant to an Automobile Dealer Franchise Agreement and the terms of the written rental agreements by and between the Developer and the applicable Automobile Dealer;

provided however, in the case of the Hyundai Dealership, the Automobile Dealership's Franchise Agreement may authorize the Automobile Dealer to sell Hyundai new automobile products at a location in the City of El Monte other than on the New Site.

- ***Automobile Dealer Franchise Agreement*** means and refers to any one or more of the automobile dealer franchise agreements for the Hyundai Dealership and the Pontiac/GMC Dealership and/or the Chevy Dealership which authorizes the Automobile Dealer who is a party to the Automobile Dealer Franchise Agreement to own each such Automobile Dealership and engage in the business of the retail sales and service on the New Site of new cars and trucks manufactured by and/or distributed by Hyundai, General Motors, Pontiac/GMC and/or Chevrolet, as applicable.

- ***Automobile Dealership*** means and refers each of the new automobile dealership businesses which shall be located and conducted on the New Site by each person or entity which is the franchise under an Automobile Dealer Franchise Agreement applicable to the New Site. The words "Automobile Dealership" also refer to each new automobile dealership business as may hereafter be conducted by the Developer and/or an Automobile Dealer on the New Site. Each Automobile Dealership shall be located and have its place of business on the New Site and be open for business to the general public pursuant to the terms and conditions of: (i) an Automobile Dealer Franchise Agreement; and (ii) a written lease or rental agreement with the Developer.

- ***Chevy Dealership*** means and refers to the General Motors new car and truck retail sales and service Automobile Dealership which as of the Effective Date is owned and operated on the Chevy Site by a third party.

- ***Chevy Site*** means and refers to the approximately 3.5 acre existing location of the Chevy Dealership at the northwesterly corner of the intersection of Brockway Avenue and Santa Anita Avenue. A legal description of the Chevy Site is attached as Exhibit "E".

- ***City*** means and refers to the City of El Monte. The City is not a party to this Agreement.

- ***Development Project Application.*** The term "Development Project Application" means and refers to the completed application(s) of the Developer for the review and discretionary approval by the City of the plan of improvement of any New Site Improvements to be undertaken by the Developer on the New Site. Each Development Project Application shall include all of the information necessary for the City to issue its development project approvals for the New Site Improvements, including all development compliance conditions.

- ***Effective Date*** means and refers to the date set forth in Section 1.3 of this Agreement when this Agreement shall take effect.

- ***Enforced Delay*** shall have the meaning ascribed to the term in Section 6.13.

- ***Environmental Laws*** means all federal, state, local, or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, or requirements of any governmental authority regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substance (as later defined), or pertaining to occupational health or industrial hygiene (to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the New Site), occupational or environmental conditions on, under, or about the Site, as now or may, at any later time, be in effect, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA") [42 USC Section 9601 et seq.]; the Resource Conservation and Recovery Act of 1976 ("RCRA") [42 USC Section 6901 et seq.]; the Clean Water Act, also known as the Federal Water Pollution Control Act ("FWPCA") [33 USC Section 1251 et seq.]; the Toxic Substances Control Act ("TSCA") [15 USC Section 2601 et seq.]; the Hazardous Materials Transportation Act ("HMTA") [49 USC Section 1801 et seq.]; the Insecticide, Fungicide, Rodenticide Act [7 USC Section 6901 et seq.] the Clean Air Act [42 USC Section 7401 et seq.]; the Safe Drinking Water Act [42 USC Section 300f et seq.]; the Solid Waste Disposal Act [42 USC Section 6901 et seq.]; the Surface Mining Control and Reclamation Act [30 USC Section 101 et seq.]; the Emergency Planning and Community Right to Know Act [42 USC Section 11001 et seq.]; the Occupational Safety and Health Act [29 USC Section 655 and 657]; the California Underground Storage of Hazardous Substances Act [Health and Safety Code Section 25288 et seq.]; the California Hazardous Substances Account Act [Health and Safety Code Section 25300 et seq.]; the California Safe Drinking Water and Toxic Enforcement Act [Health and Safety Code Section 24249.5 et seq.] the Porter-Cologne Water Quality Act [Water Code Section 13000 et seq.] together with any amendments of, or regulations promulgated under the statutes cited above and any other federal, state, or local law, statute, ordinance, or regulation, now in effect or later enacted, that pertains to occupational health or industrial hygiene, and only to the extent the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the New Site, or the regulation or protection of the environment, including ambient air, soil, soil vapor, groundwater, surface water, or land use.

- ***Gross Taxable Retail Sales and Use Tax Receipts*** means and refers to the total amount of retail sales which occur on the New Site which are subject to the calculation and payment of a local retail sales and use tax under the provisions of Revenue and Taxation Code Section 7200 et seq, during each of the applicable Accounting Periods.

- ***Hazardous Substance*** means and includes, without limitation, all of the following:

  (a) those substances included within the definitions of "hazardous substance," "hazardous waste," "hazardous material," "toxic substance," "solid waste," or "pollutant or contaminate" in CERCLA, RCRA, TSCA, HMTA, or under any other environmental law; and

PRESENTED TO EL MONTE COMMUNITY REDEVELOPMENT AGENCY
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(b) those substances listed in the United States Department of Transportation (DOT)Table [49 CFR 172.101], or by the EPA, or any successor agency, as hazardous substances [40 CFR Part 302]; and

(c) other substances, materials, and wastes that are, or become, regulated or classified as hazardous or toxic under federal, state, or local laws or regulations; and

(d) any material, waste, or substance that is:

(1) a petroleum or refined petroleum product,

(2) asbestos,

(3) polychlorinated biphenyl,

(4) designated as a hazardous substance pursuant to 33 USC Section 1321 or listed pursuant to 33 USC Section 1317,

(5) a flammable explosive.

- ***Hyundai Dealership*** means and refers to the Hyundai Motors USA new car and truck retail sales and service Automobile Dealership which as of the Effective Date is owned and operated on the Hyundai Site by the Developer.

- ***Hyundai Site*** means and refers to the approximately 2 acres of land located at the northeasterly corner of the intersection of Brockway Avenue and Santa Anita Avenue on which the Hyundai Dealership is located. The Agency Lands comprise a part of the Hyundai Site. The general location of the Hyundai Site is shown on the vicinity map attached hereto as Exhibit "B".

- ***New Site*** means and refers to the combined Chevy Site and the Hyundai Site held under common ownership by the Developer. A vicinity map which has been marked to show the location of the New Site is attached as Exhibit "A".

- ***New Site Improvements*** means and refers to all buildings, structures and improvements and all additions to or further improvements to any existing buildings, structures and improvements as may hereafter be constructed and installed on the New Site, or any portion thereof by the Developer or by an Automobile Dealer, including but not limited to all the foundations and footings therefore, landscaping, outdoor signage, all fixtures, appliances, machinery, equipment and apparatus of every kind.

- ***New Site Parcel*** means and refers to each of the legal parcels of land which comprises the New Site.

- ***Notice of Redevelopment Agreement*** means and refers to the written notice executed by the Developer and the Agency which shall be recorded against the New Site, and each

parcel thereof, on the date when the escrow established by the Developer and the Agency for the fee transfer of the Agency Lands to the Developer shall be closed as set forth in the Agreement for Disposition of Real Property. The form of the Notice of Redevelopment Agreement is attached as Exhibit "I".

- ***Pontiac/GMC Dealership*** means and refers to the General Motors new car and truck retail sales and service Automobile Dealership which as of the Effective Date is owned and operated by the Developer at _____.

- ***Title Company*** means and refers to _____ or such successor Title Company designated by the Developer and the Agency.

- ***TOD Lease*** means and refers to the ground lease document, which affects the TOD Replacement Property substantially in the form attached hereto as Exhibit "L". The Developer at its option and election may lease the TOD Replacement Property from the Agency pursuant to the terms and conditions of the TOD Lease in the event that the Agency may have exercised its option to purchase the West Parcel.

- ***TOD Replacement Property*** means and refers to the lands adjacent to the north line of the Chevy Site which the Agency may hereafter offer to lease to the Developer on the terms set forth in the TOD Lease. The TOD Replacement Property shall have the same land area as the West Parcel, or so much of the West Parcel as the Agency may actually acquire from the Developer following the issuance of the Agency Notice of Exercise of West Parcel Option.

- ***Transfer*** shall mean and refer to any direct or indirect conveyance, transfer, sale, assignment, lease, sublease, license, concession, franchise, gift, hypothecation, mortgage, pledge, encumbrance or the like, of this Agreement or any portion of the New Site or New Site Parcel thereof.

- ***Transfer Document*** shall have the meaning provided in Section 3.3.

- ***Transferee*** shall mean and refer to any person receiving any Transfer.

- ***West Parcel*** means and refers to the westerly one third (1/3) of the Chevy Site. The general location of the West Parcel is shown on the vicinity map attached hereto as Exhibit "D".

- ***West Parcel Option*** means and refers to the option granted by the Developer to the Agency in Section 5.2 of this Agreement to purchase the West Parcel, or such portion thereof as may hereafter be identified by the Agency in the Notice of Exercise of West Parcel Option.

Section 1.3. Effective Date.

This Agreement shall take effect following its approval by the governing board of the Agency when it has been fully executed by the authorized representative of the parties within thirty (30) days following its approval by the governing board of the Agency (the "Effective Date").

Section 1.4. List of Exhibits.

The following documents or instruments are attached to this Agreement as exhibits and the text of each such document or instrument is incorporated into this Agreement by this reference:

Exhibit "A" Vicinity Map Showing the New Site

Exhibit "B" Vicinity Map of the Hyundai Site

Exhibit "C" Legal Description of the Agency Lands

Exhibit "D" Vicinity Map Showing the Chevy Site and the Location of the West Parcel Within the Chevy Site

Exhibit "E" Legal Description of the Chevy Site

Exhibit "F" Form of Agreement for Disposition of Real Property and Escrow Instructions (Developer Option Escrow)

Exhibit "G" Form of Agreement for Purchase of Real Property and Escrow Instructions (Agency Option to Purchase the West Parcel)

Exhibit "H" Vicinity Map Showing Location of Proposed El Monte Transit Village Specific Plan Area

Exhibit "I" Notice of Redevelopment Agreement

Exhibit "J" General Plan of Operation of the Automobile Dealerships on the New Site

Exhibit "K" Form of Agency Notice of Exercise of West Parcel Option

Exhibit "L" Form of TOD Lease

Section 1.5. Parties to this Agreement.

The parties to this Agreement are the Developer and the Agency. The City is not a party to this Agreement. The business address of the Developer is _____.

The business address of the Agency is 11333 Valley Boulevard, El Monte, California 91731 (626) 580-2001.

ARTICLE II

Section 2.1. As of the Effective Date, the Developer and the Agency each acknowledge and agree that the Agency Hyundai Site Lease is in full force and effect and that no default has occurred thereunder.

Section 2.2. (a) The Agency has previously granted to the Developer a right to purchase the Agency Lands on certain terms and conditions as more fully set forth in Article XVIII of the Agency Hyundai Site Lease. In the Agency Hyundai Site Lease, the Agency Lands are referred to as the "Agency Property".

(b) Notwithstanding any provision of the Agency Hyundai Site Lease to the contrary, the Developer may exercise the option granted to the Developer under the Agency Hyundai Site Lease to purchase the Agency Lands following the Effective Date, subject to the satisfaction of the following terms and conditions of this Agreement:

(1) the Developer shall have provided the Agency with written evidence addressed to the Agency and in a form satisfactory to the Agency Executive Director that General Motors has approved the transfer of the Chevy Dealership to the Developer and that General Motors has approved the concurrent operation on the New Site of the Chevy Dealership with the Pontiac/GMC Dealership;

(2) the Developer shall have provided the Agency with written evidence addressed to the Agency in a form satisfactory to the Agency Executive Director that General Motors has approved the relocation of the Pontiac/GMC Dealership to the New Site for operation by the Developer together and that General Motors has approved the concurrent operation on the New Site of the Pontiac/GMC Dealership with the Chevy Dealership;

(3) [RESERVED – NO TEXT];

(4) the Developer (or the current tenant in possession of the Chevy Site) shall have duly given the notice required to the owner of the Chevy Site for the Chevy Dealership (the tenant under the automobile dealer lease affecting the Chevy Site) to purchase the Chevy Site under the terms and conditions of that certain option to purchase set forth in the lease dated _____ by and between the _____ and the owner of the Chevy Site, and a copy of such written notice of the exercise by the Developer (or the current tenant in possession of the Chevy Site) of such option to purchase the Chevy Site has been provided to the Agency together with a: (i) copy of the fully executed purchase agreement by and between the owner of the Chevy Site and the Developer (or the current tenant in possession of the Chevy Site) and (ii) written evidence that _____ has assigned its right to purchase the Chevy Site to the Developer, if applicable;

(5) the Developer shall have provided the Agency with written evidence addressed to the Agency in a form satisfactory to the Agency Executive Director that the Chevy Dealership and the Developer have entered into a purchase and sale agreement for the transfer and sale of the Chevy Dealership business to the Developer;

(6) the Developer shall have inserted the name of the title insurance company and the escrow holder into the text of the Agreement for Disposition of Real Property and Escrow Instructions in the form attached hereto as Exhibit "F";

(7) subject to the confirmation by the Agency Executive Director of the satisfaction by the Developer of condition numbers (1) through (6) inclusive, above, by a date not later than November 1, 2006, the Agency shall execute the Agreement for Disposition of Real Property, within ten (10) days following the satisfaction of such matters by the Developer.

(c) The escrow as established by the Developer and the Agency under the terms and conditions of the Agreement for Disposition of Real Property shall close concurrently with the Developer's acquisition of the Chevy Site under the terms of the real property purchase agreement referenced in Section 2.2(b)(4), above, and the Developer's acquisition of the Chevy Dealership under the terms of the automobile dealership purchase and sale agreement, referenced in Section 2.2(b)(5), above, as evidenced by: (i) the recordation of the instrument transferring the fee interest in the Chevy Site to the Developer; (ii) the delivery of bill of sale or other evidence of transfer of all of the assets the Chevy Dealership to the Developer.

(d) Upon the close of the escrow established by the Developer and the Agency under the terms and conditions of the Agreement for Disposition of Real Property, the Agency Hyundai Lease shall terminate and the escrow holder under the Agreement for Disposition of Real Property shall cause to be recorded the Notice of Redevelopment Agreement.

(e) From the Effective Date through the date of close of the escrow established by the Developer and the Agency under the Agreement for Disposition of Real Property and the recordation of the Notice of Redevelopment Agreement, the Agency Hyundai Lease shall remain in full force and effect.

(f) The provisions of this Agreement shall survive the close of the escrow established by the Developer and the Agency under the Agreement for Disposition of Real Property, and the termination of the Agency Hyundai Lease.

Section 2.3. Condition of the Agency Lands.

Developer acknowledges and agrees that during the term of the Agency Hyundai Lease, that it has undertaken such investigation of the Agency Lands as it has deemed appropriate. Developer acknowledges that it shall accept the delivery of fee title interest in the Agency Lands on the close of the escrow set forth in the Agreement for Disposition of Real Property in an "AS

IS", "WHERE IS" and "SUBJECT TO ALL FAULTS" condition. Developer further agrees and represents to the Agency that as of the time the Developer closes the escrow under the Agreement for Disposition of Real Property shall have conducted and completed (or waived the completion) of all of its independent investigation of the condition of the Agency Lands. Developer hereby acknowledges that it has and shall rely solely upon its own investigation of the Agency Lands and its own review of such information and documentation as it deems appropriate for the purpose of accepting the condition of the Agency Lands. Developer is not relying on any statement or representation by the Agency relating to the condition of the Agency Lands unless such statement or representation is specifically contained in the Agency Hyundai Lease. Without limiting the foregoing, the Agency makes no representation or warranty as to whether the Agency Lands either complied with Environmental Laws on the commencement date of the Agency Hyundai Lease or whether at any time later the Agency Lands are in compliance with Environmental Laws. Furthermore, to the extent that the Agency has provided Developer with information relating to the condition of the Agency Lands, including information and reports prepared by or on behalf of the City or any third person, including without limitation the prior owner of the portion of the Hyundai Site which was used for the retail sale of gasoline and motor fuel products to the general public (e.g. a former Texaco gasoline station), the Agency makes no representation or warranty with respect to the accuracy, completeness or methodology or content of such reports or information.

Without limiting the above, except to the extent covered by an express representation or warranty of the Agency set forth in the Agency Hyundai Lease, Developer, on behalf of itself and its successors and assigns, waives and release the Agency and its successors and assigns from any and all costs or expenses whatsoever (including, without limitation, attorneys' fees and costs), whether direct or indirect, known or unknown, foreseen or unforeseen, arising from or relating to the physical condition of the Agency Land, the condition of the soils, the suitability of the soils for the law or regulation applicable thereto, including the presence or alleged presence of harmful or Hazardous Substances in, under or about the Agency Lands including, without limitation, any claims under or on account of any Environmental Laws.

Developer expressly waives any rights or benefits available to it with respect to the foregoing release under any provision of applicable law which generally provides that a general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time the release is agreed to, which, if known to such creditor, would materially affect a settlement. The Developer acknowledges that it fully understands the foregoing, and with this understanding, nonetheless elects to and does assume all risk for claims known or unknown, described in this Section 2.3 without limiting the generality of the foregoing:

> The Developer acknowledges that it has been advised by legal counsel and is familiar with the provisions of California Civil Code Section 1542, which provides as follows:
>
> > "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE

RELEASE, WHICH IF KNOWN BY HIM, MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

The Developer, being aware of this code section, hereby expressly waives any rights it may have thereunder, as well as under any other statutes or common law principles of similar effect.

Initials of Developer:_____

Section 2.4. General Plan of Operation of the Automobile Dealership.

Promptly following the close of the escrow established by the Developer and the Agency under the Agreement for Disposition of Real Property, the Developer shall conduct the business operations of the Pontiac/GMC Dealership and the Chevy Dealership on the New Site in accordance with the General Plan of Operation of the Automobile Dealership in the New Site attached hereto as Exhibit "J".

Section 2.5. Survival of Agreement.

(a) The provisions of this Agreement shall survive the close of escrow under the Agreement for the Disposition of Real Property.

(b) The Agency Hyundai Site Lease shall terminate and be of no further force or effect upon the close of escrow under the Agreement for the Disposition of Real Property; provided however, that the indemnity obligation of the Developer in favor of the Agency which arises under the Agency Hyundai Site lease shall continue with respect to any matter or claim of the Agency arising prior to the termination of the Agency Hyundai Site Lease.

Section 2.6. Cancellation of Agreement.

Either party may terminate this Agreement in its sole discretion, if the Agreement for Disposition of Real Property has not been fully executed by the parties for any reason by a date not later than December 31, 2006. Either party may terminate this Agreement under this Section 2.6 upon fifteen (15) days written notice to the other party, whereupon both parties shall be mutually released from any further obligation as may arise under this Agreement. The Executive Director of the Agency may extend the December 31, 2006, date at the request of the Developer for up to ninety (90) days.

ARTICLE III

Section 3.1. Warranties and Representations by the Developer.

The Developer hereby makes the following representations, covenants and warranties and acknowledges that the execution of this Agreement by the Agency has been made in material reliance by the Agency on such covenants, representations and warranties:

(1) To the actual current knowledge of the Developer, the Developer is a duly organized and validly existing California limited liability corporation. The Developer has the legal right, power and authority to enter into this Agreement and the instruments and documents referenced herein and to consummate the transactions contemplated hereby;

(2) To the actual current knowledge of the Developer, the Developer has taken all requisite action and obtained all requisite consents in connection with entering into this Agreement and the instruments and documents referenced herein and the consummation of the transactions contemplated hereby, and no consent of any other party is required;

(3) To the actual current knowledge of the Developer, this Agreement is, and all agreements, instruments and documents to be executed by the Developer pursuant to this Agreement shall be, duly executed by the Developer and are or shall be enforceable in accordance with their respective terms;

(4) To the actual current knowledge of the Developer, neither the execution of this Agreement nor the consummation of the transactions contemplated hereby shall result in a breach of or constitute a default under any other agreement, document, instrument or other obligation to which the Developer is a party or under law, statute, ordinance, rule, governmental regulation or any writ, injunction, order or decree of any court or governmental body applicable to the Developer or to the New Site, or any portion thereof;

(5) No member of the governing board of the Agency nor any other officer or employee of the Agency, or their agents during their tenure, employment or engagement, and for one (1) year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for any interest arising under this Agreement.

(6) For the purposes of this Section 3.1, the term "to the actual current knowledge of the Developer" shall means the actual knowledge of Scott Gunderson.

All representations and warranties contained in this Section 8 are true and correct on the Effective Date of this Agreement and shall remain true on the date of the close of the escrow established by the Developer and the Agency under the Agreement for Disposition of Real Property.

Section 3.2. Warranties and Representations by the Agency.

The Agency hereby makes the following representations, covenants and warranties and acknowledges that the execution of this Agreement by the Developer has been made in material reliance on such covenants, representations and warranties:

(1) To the actual current knowledge of the Agency, the Agency has taken all requisite action and obtained all requisite consents in connection with entering into this Agreement and the instruments and documents referenced herein and the consummation of the transactions contemplated hereby, and no consent of any other party is required;

(2) To the actual current knowledge of the Agency, this Agreement is, and all agreements, instruments and documents to be executed by the Agency pursuant to this Agreement shall be, duly executed by the Agency and are or shall be enforceable in accordance with their respective terms;

(3) To the actual current knowledge of the Agency, neither the execution of this Agreement nor the consummation of the transactions contemplated hereby shall result in a breach of or constitute a default under any other agreement, document, instrument or other obligation to which the Agency is a party or by which may be bound applicable to the Property;

(4) For the purposes of this Section 3.2, the term "to the actual current knowledge of the Agency" shall mean the actual knowledge of James Mussenden, Executive Director of the Agency.

All representations and warranties contained in this Section 3.2 are true and correct on the Effective Date of this Agreement and shall remain true on the date of the close of the escrow established by the Developer and the Agency under the Agreement for Disposition of Real Property.

Section 3.3. Change in Ownership Management and Control of the Developer – Assignment and Transfer.

The restrictions contained in this Section 3.3. upon any Transfer to any Transferee are imposed because the qualifications and identity of the Developer are of particular concern to the Agency, and it is because of those qualifications and identity that the Agency has entered into this Agreement with the Developer. The Developer hereby agrees that any purported Transfer not permitted by this Agreement shall be null and void.

Prior to the end of the Agency Option Period, if the Developer desires to effect a Transfer, the Developer shall, except as expressly provided below in this Section 3.3, request consent from the Agency in writing and shall submit to the Agency an assignment and assumption agreement (collectively, the "Transfer Document") memorializing, facilitating and evidencing the proposed Transfer and any Transferee's assumption of Developer's obligations under this Agreement or interest in the New Site which is/are assigned. The Agency agrees to notify the Developer in writing of its decision on the Developer's request for consent to such Transfer, as promptly as possible, and, in any event, not later than fifteen (15) days after the Agency receives all of the items required by the preceding sentence. Agency shall not withhold approval if the proposed Transferee possesses qualifications that are not less than that of the Developer. If the Agency consents to a proposed Transfer pursuant to this Section 3.3, then such

Transfer shall not be effective unless and until the Agency receives copies of the executed and binding Transfer Document, which Transfer Document shall conform with the proposed Transfer Document originally submitted by the Developer to the Agency. If such request i denied, then the Agency shall state the reasons for such disapproval in its notice of denial of the Developer's request. If the Agency fails to approve or disapprove a proposed Transfer submitted for the Agency approval pursuant to this Section 3.3, within said fifteen (15) day period, then the Developer shall deliver to the Agency a written notice (in the form and manner required by Section 6.20) specifying the proposed Transfer Document previously submitted, the date of such submission, the approval or other action requested, and the fact that such notice constitutes the "second notice" under this Section 3.3. The Agency shall thereupon notify the Developer in writing of its approval or disapproval of the proposed Transfer within fifteen (15) days after its receipt of such notice from the Developer. The Agency's failure to notify the Developer of its approval or disapproval within such fifteen (15) day period shall constitute its approval.

Notwithstanding anything in this Agreement which is or appears to be to the contrary, the following Transfers shall not require the submission of a Transfer Document or the consent of the Agency:

(i) Transfers resulting from the death or incapacity of an individual member of the Developer;

(ii) Transfers in trust for the benefit of a spouse, children, or family members of a member, subject to the same criteria set forth in subparagraph (vii) below.

(iii) Transfers resulting from the conveyance or dedication of any portion of the New Site or any interest therein to the City or any other governmental agency or utility or the granting of easements or permits required in connection with the development of the New Site.

(iv) Transfers, including but not limited to provisions of deeds of trust on all or any portion of the New Site, for financing purposes to such lenders which have been approved by Agency in accordance with Section 3.4 hereof.

(v) Transfers resulting from a sale of the New Site or any portion thereof or any interest therein at foreclosure or conveyance in lieu of foreclosure pursuant to an foreclosure by a lender.

(vi) The rental of any portion of the New Site to an Automobile Dealership, and the entering into any license or concession agreement for the use of any portion of the New Site by an Automobile Dealership.

(vii) Transfers resulting in a change in ownership of Developer or of the New Site (1) to a limited liability company of which Developer is the managing member provided that the managing member of such managing member is Scott Gunderson and Scott Gunderson controls the day to day management of such managing member; (2) to a general or limited partnership, provided a general

partner is Scott Gunderson, or the general partner is a limited liability company in which the managing member is Scott Gunderson, and Scott Gunderson controls the day to day management; or (3) to an entity provided that Scott Gunderson controls the day to day management of such entity.

Notwithstanding anything in this Agreement which is or appears to be to the contrary, the Developer agrees that, in addition to all other Agency rights with respect to Transfers subject to Agency approval under this Agreement, the Agency shall have the right to refuse to consent to any Transfer if the Developer is then in default under this Agreement, provided that the Agency's waiver of this restriction on Transfer shall not be construed as a waiver of any default or the Agency's remedies arising therefrom, nor shall any Transfer in any way restrict or limit the Agency's rights and remedies arising from any default hereunder, whether such default occurred prior to or after such Transfer.

The provisions of this Section 3.3 shall apply to each successive Transfer and Transferee in the same manner as initially applicable to the Developer under the terms set forth herein.

Notwithstanding anything in this Agreement which is or appears to be to the contrary, the restrictions imposed by this Section 3.3 shall terminate as of the earlier date of recordation of the instrument transferring the West Parcel to the Agency or the end of the Agency Option Period if the Agency may fail to exercise its option to acquire the West Parcel.

Section 3.4. Listing of Approved Lenders.

[INSERT TEXT OF IDENTIFIED LENDERS FOR CHEVY SITE ACQUISITION, ETC BY THE DEVELOPER]

ARTICLE IV

Section 4.1. Community Redevelopment Covenant for Automotive Retail Use of the New Site.

(a) Subject to the close of the escrow established by the Developer and the Agency under the Agreement for the Disposition of Real Property, the Developer for itself and its successors and assigns hereby covenants and agrees that the New Site and each parcel thereof shall be used or reserved for use and occupancy solely for the purpose of operating at least two (2) Automobile Dealership businesses on the New Site.

(b) In order for: (i) an Automobile Dealership to be eligible for inclusion under the community redevelopment use and occupancy covenant set forth in Section 4.1(a); and (ii) for the Gross Taxable Retail Sales Receipts of such Automobile Dealership to be included for purposes of the calculating the early release date of the new car retail sales and service covenant set forth in Section 4.1(a) under Section 4.1(e)(ii), such Automobile Dealership shall conduct an Automobile Dealership business on the New Site and each portion thereof pursuant to the terms and conditions of an Automobile Dealer Franchise Agreement, except as provided in Section 4.5 with respect to the Hyundai Dealership.

(c) The Developer shall not use and shall not permit or suffer the New Site or any portion thereof, to be used in any manner that would violate the provisions of any Applicable Laws and Restrictions. The Developer shall provide the Agency with a copy of any correspondence from any governmental entity regarding compliance by Developer with any matter set forth in this Section 4.1.

(d) For so long as the provisions of Health and Safety Code Section 33426.7 may be applicable to the New Site, the Developer shall not operate or consent to the operation or occupancy on the New Site of an Automobile Dealership which violates the restrictions set forth in Health and Safety Code Section 33426.7.

(e) The community redevelopment covenants contained in this Section 4.1 are covenants which touch and concern the New Site, and each Site Parcel thereof, and runs with the land for the benefit of the redevelopment project area of the Downtown El Monte Redevelopment Project. The community redevelopment covenants contained in this Section 4.1 shall have a term which is the earlier date of: (i) twenty (20) years following the date of recordation of the Notice of Redevelopment Agreement; or (ii) the fifth (5th) anniversary following the date on which the Developer has submitted an appropriate written accounting detail to the Agency as set forth in Section 4.2, which evidences that the aggregate amount of Gross Taxable Retail Sales Receipts attributed to the Automobile Dealerships open for business to the general public on the New Site between January 1, 2000, and the December 31 next preceding such written accounting, is not less than One Billion Two Hundred Eighteen Million Eight Hundred and Eight Thousand Dollars ($1,218,808,000) in Gross Taxable Retail Sales Receipts during the Accounting Periods covered in such written accounting.

(f) Promptly upon the request of the Developer and the confirmation of the written accounting detail referenced in Section 4.1(e)(ii), the Agency shall cause to be prepared for recordation, a notice of satisfaction and release of the community redevelopment covenant set forth in this Section 4.1 and the Agency shall cause to be recorded a notice of cancellation of the Notice of Redevelopment Agreement.

Section 4.2. Gross Taxable Retail Sales Receipts.

Provided the Developer submits the appropriate written accounting detail to the Agency for each Accounting Period as provided in Section 4.3, the Gross Taxable Retail Sales Receipts generated by the Automobile Dealers and by each Automobile Dealership on the New Site, during each Accounting Period, shall be available to the Developer and its successors and assigns for the purpose of obtaining the early release of the community redevelopment covenant set forth in Section 4.1; provided however, that not more than thirty percent (30%) of the total amount of Annual Sales Taxes for an Accounting Period that may be claimed by the Developer with respect to Automobile Dealerships open for business to the general public on the New Site as eligible for inclusion as Gross Taxable Retail Sales Receipts, for the purpose of determining the early release credit under Section 4.1(e)(ii) for any single Accounting Period shall be derived from the sale of used automobiles by such Automobile Dealerships on the New Site during such Accounting Period.

Section 4.3 Accounting Required.

Within sixty (60) days following the end of each Accounting Period commencing with the Accounting Period ending on December 31, 2006, the Developer and its successors and assigns shall, without notice or demand from Agency, deliver to Agency a statement prepared in accordance with generally accepted accounting principles reasonably acceptable to the Agency, which sets forth in suitable detail the amount of Gross Taxable Retail Sales Receipts of the Automobile Dealers open for business on the New Site at any time during the applicable Accounting Period.

Section 4.4. Audit of Annual Sales Tax Receipt Information by the Agency.

The Developer and its successors and assigns shall cause to be made available to the Agency for audit and inspection upon request by the Agency or by a firm of certified public accountants retained by the Agency for such purposes, true and correct records evidencing the remittance by each Automobile Dealer and each Automobile Dealership on the New Site during each Accounting Period, of Annual Sales Taxes paid by each such Automobile Dealership to the State Board of Equalization. Such records shall include appropriate identification of Annual Sales Taxes paid for the retail sale or lease of new automobiles and used automobiles. All information so obtained by the Agency shall be treated as confidential business records of the Developer except in any litigation between the Agency and the Developer or when the Agency may be required to disclose such confidential business records by applicable law or court order, and except further, that the Agency may divulge the information to a governmental agency in the course of the official business of such governmental agency. The Agency may make adjustments and corrections to the amounts of Gross Taxable Retail Sales and Use Receipts reported to the Agency each Accounting Period based upon the Agency's audit and comparison of the accounting information provided to the Agency under Section 4.3 and the accounting information for such Accounting Period as may be available to the Agency from other sources. Any such adjustment by the Agency shall be subject to written notice by the Agency to the Developer.

Section 4.5. Special Annual Sales Tax and New Automobile Sales for the Hyundai Dealership.

(a) With each statement submitted to the Agency under Section 4.2 and the related information under Section 4.4, the Developer shall separately identify the amount of the Gross Taxable Retail Sales Receipts for the Accounting Period which are attributed to the retail sale or lease of used automobiles by each Automobile Dealer doing business on the New Site, or any portion thereof, following the recordation of the Notice of Redevelopment Agreement. Not more than thirty (30%) percent of the total amount of Annual Sales Taxes for an Accounting Period that may be claimed by the Developer with respect to the Hyundai Dealership as eligible for inclusion as Gross Taxable Retail Sales Receipts, for the purpose of determining the amount of the early release credit under Section 4.1(e)(ii) for any single Accounting Period, shall be derived from the sale of used automobiles by the Hyundai Dealership during such Accounting Period.

(b) Notwithstanding any other provision of the Agency Hyundai Lease or this Agreement to the contrary, for so long as the Hyundai Dealership may be continuously open for business to the general public, as the term "continuously open for business to the general public" is defined in Section 4.1(a), at a location within the territorial jurisdiction of the City, the Developer may aggregate the Gross Taxable Retail Sales Receipts of the Hyundai Dealership which may occur off the New Site during the applicable Accounting Period (subject to the used car sales limitation set forth in Section 4.5(a), with the Gross Taxable Retail Sales Receipts of the other Automobile Dealerships which were continuously open for business to the general public on the New Site during the same Accounting Period.

Section 4.6. Property Taxes and Assessments.

(a) Developer for itself and its successors and assigns agrees to pay and discharge as they become due, promptly and before delinquency, all property taxes, assessments, rates and charges, whether general or special taxes or benefit assessments, which may be levied, assessed, charged, or imposed, or may become a lien or charge on New Site, or any portion thereof.

(b) The covenants contained in this Section 4.6 are community redevelopment covenants which run with the land and each portion of the New Site and shall have a term and remain in effect for twenty (20) years following the date of recordation of the Notice of Redevelopment Agreement.

Section 4.8. Minimum Assessed Valuation Covenant Relating to the New Site.

(a) The Developer hereby covenants and agrees for itself, and its successors and assigns that as of January 1, 2007, the assessed valuation of the New Site, for ad valorem property taxation purposes, shall be not less than _____ Dollars ($_____). Said ad valorem assessed valuation figure for the New Site is referred to herein as the "New Site Base Year Value". For purposes of verifying the satisfaction of the obligation of the Developer in favor of the Agency as arises under this Section 4.8, the aggregate amount of the assessed value of the lands and improvements included in the New Site as reported by the Office of the County Assessor as public record information relating to property tax assessments for the New Site (on both the secured, property tax rolls of the Office of the County Assessor on the January 1, 2007 property tax lien date) shall be deemed to provide conclusive evidence of the New Site Base Year Value.

(b) Commencing on the July 1, 2007, if the Agency determines, following thirty (30) days prior written notice to the Developer, that the assessed valuation of the New Site is less than the New Site Base Year Value, for general property tax purposes in any property tax year, the Developer shall pay to the Agency the dollar amount of the difference between the property taxes actually paid during such property tax year by the Developer under the tax rate applicable in such tax year for the assessed value of the New Site as reported by the Office of the County Assessor and the amount of property taxes which otherwise should have been paid by the Developer for the New Site in such tax year (the "Fee in Lieu of Property Taxes"), if the Site had been assessed for ad valorem property tax purposes at the New Site Base Year Value. The Developer covenants and agrees to pay the applicable amount of the Fee in Lieu of Property

Taxes within ninety (90) days of receipt of a written invoice therefore from the Agency which references this Section 4.8 and sets forth the amount of the Fee in Lieu of Property Taxes as so payable.

(c) The Developer further covenants and agrees that in the event that the New Site, or any portion thereof, shall be conveyed or transferred or sold by the Developer, to any entity or party, that is partially or wholly exempt from the payment of ad valorem property taxes pertinent to the New Site, or any portion thereof, the owner of such portion of the New Site which is partially or wholly exempt from the payment of ad valorem property taxes, shall pay the Agency a fee in lieu of payment of such taxes each year in an amount which is determined by the Agency to be one percent (1.0%) of the full cash value of the New Site, or portion thereof as cquired by such owner who may otherwise have obtained, such exemption from payment of ad valorem property taxes. Such determination of "full cash value" for such in-lieu payment purposes under this covenant shall be established by the Agency each year, if necessary, by reference to the ad valorem property tax valuation principles and practices as generally applicable to a county property tax assessor under Section 2 of Article XIIIA of the California Constitution. In the event that the Agency may hereafter determine that an amount is payable by to the Agency by the owner of the New Site, or portion thereof as may be exempt from payment of ad valorem property taxes, as an in-lieu payment under this covenant in any tax year, then such amount shall be paid to the Agency for that tax year within ninety (90) days following transmittal of notice of invoice for payment of the in-lieu amount by the Agency to such person.

(d) The Developer hereby agrees for itself and its successors and assigns in interest in the New Site, and each parcel thereof, the Developer shall not seek to obtain or authorize a reduction or other adjustment of the assessed valuation of the New Site for ad valorem property tax purposes from the Office of the County Assessor, to an assessed valuation amount which is less than the New Site Base Year Value, plus an amount which shall be added to the New Site Base Year Value, commencing on January 1, 2008, and on each January 1, thereafter, as determined in accordance with Subdivision (b) of Section 2 of Article XIIIA of the California Constitution and Section 51(a) of the Revenue and Taxation Code for each succeeding tax year.

(e) The covenants contained in this Section 4.8 are community redevelopment covenants which run with the land and each portion of the New Site and shall have a term and remain in effect for twenty (20) years following the date of recordation of the Notice of Redevelopment Agreement.

Section 4.9. Building and Use Restrictions Applicable to Hyundai Site.

(a) The Developer hereby covenants and agrees for itself and its successors and assigns that from and after the Effective Date, except for free-standing on-premise sign structures which shall be otherwise subject to compliance with all Applicable Laws and Regulations, no New Site Improvements shall be constructed on the Hyundai Site which exceed more than one (1) story or seventeen (17) feet in height, above existing surface grade, whichever height limitation is less.

(b) The Developer hereby covenants and agrees for itself and its successors and assigns that the following activities shall not be conducted on the Hyundai Site:

(i) automobile body repair or collision damage repair;

(ii) automobile body painting;

(iii) automobile body dismantling.

(c) The land use restriction set forth in Section 4.9(b) as applicable to the Hyundai Site shall run in perpetuity. The building height restriction as applicable to the Hyundai Site under Section 4.9(a) shall have a term which is the shorter period of: (i) fifty (50) years following the date of recordation of the Notice of Redevelopment Agreement; or (ii) the date following the expiration of the automobile retail sales and service land use restriction for the New Site under Section 4.1, when the Developer, or the then owner of the Hyundai Site, shall have certified in writing to the Agency, that the Hyundai Site shall not be further used for any automobile retail sales and service purposes. Upon the written request of the owner of the Hyundai Site, the Agency shall execute in recordable form a notice of release of building height restrictions contained in Section 4.9(a), promptly following the delivery to the Agency of the written certification described in the preceding sentence. The covenants contained in this Section 4.9 shall be community redevelopment covenants which run with the Hyundai Site for the period as set forth herein.

Section 4.10. New Site Improvements Constructed on the Hyundai Site Are A Public Works.

The construction and installation of any New Site Improvements on the Hyundai Site prior to the end of the term of the community redevelopment covenant set forth in Section 4.1(e) following the recordation of the Notice of Redevelopment shall be deemed to be a "public works" as this term is defined in California Labor Code Section 1720. The Developer shall give written instruction to each Automobile Dealer, each subtenant and to each contractor (including their subcontractors) engaged in connection with the construction of any New Site Improvements on the Hyundai Site that all persons employed to perform any construction labor work associated with the New Site Improvements shall be paid at a rate of compensation for such construction labor work which is not less than a "prevailing wage" as this term is defined in Labor Code Section 1720, in effect at the time when the bids are solicited by the Developer for the award of contracts to contractors for the performance of the work of improvement. Each contractor (including subcontractors) engaged to perform construction work related to the New Site Improvements, shall prepare and maintain accurate payroll records for such New Site Improvements work as provided in Labor Code Section 1776. The Developer for itself and for the Automobile Dealer, each subtenant and each contractor and subcontractor or any of them, who is engaged to perform construction work related to the New Site Improvements on the Hyundai Site, shall cause to be delivered to the Agency a certified copy of the payroll records enumerated in Labor Code Section 1776(a) related to the performance of all construction work associated with such New Site Improvements within ten (10) days after written request by the Agency for a certified copy of such records. The Developer shall provide the Agency with a

current listing of all contractors and subcontractors (including any contractors or subcontractors employed by the Developer or any Automobile Dealer and each subtenant) who are engaged in the performance of any construction work related to the New Site Improvements on the Hyundai Site. Developer shall cause each Automobile Dealer and each subtenant to comply with the provisions of this Section 4.10.

Section 4.11. Duty to Maintain the New Site First-Class Condition.

For so long as the Redevelopment Plan for the Downtown El Monte Redevelopment Project may be in effect, the Developer for itself and its successors and assigns hereby covenants and agrees that it shall maintain the New Site and all existing and any New Site Improvements and landscaping thereon, in a state of first-class condition and repair at Developer's sole cost and expense. The words "first-class condition and repair", as used in this Agreement mean and refer to a level of maintenance and repair that is necessary to keep the New Site and any existing improvements and the New Site Improvements and landscaping in an efficient and attractive condition. The improvements on the New Site which are in existence on the Effective Date shall be maintained in at least substantially equal in quality to the condition of such improvements as then in existence on the date of recordation of the Notice of Redevelopment Agreement, reasonable wear and tear excepted. The Agency does not intend by the immediately preceding sentence that an improvement may not be deemed to be in a state of first-class condition and repair merely because of ordinary and reasonable wear and tear that does not materially reduce the attractiveness or utility of the particular improvement. The covenant contained in this Section 4.11 is a community redevelopment covenant which runs with the land and each portion of the New Site and shall have a term and remain in effect for twenty (20) years following the date of recordation of the Notice of Redevelopment Agreement.

Section 4.12. Prompt and Diligent Repair.

Developer shall promptly and diligently repair, restore, renew, and replace all damage or destruction to the New Site Improvements to comply with the maintenance standard set forth in Section 4.11. All such work of repair, restoration, renewal or replacement of the New Site Improvements shall be performed by Developer at its sole cost and expense, whether or not funds are available from insurance proceeds, condemnation proceeds or from Automobile Dealer contributions or from any other source. Such work shall be accomplished to substantially the same or better building standard and quality of the improvements in existence prior to the date of such damage or destruction.

Section 4.13. No Build Covenant Affecting the West Parcel.

Subject to the close of the escrow established by the Developer and the Agency under the Agreement for Disposition of Real Property, the Developer for itself and its successors and assigns in interest in the Chevy Site hereby agrees that it shall not construct or install any new improvements on the West Parcel which either individually or in the aggregate have a cost of more than Ten Thousand Dollars ($10,000) at any time during the West Parcel Option Period, unless the Agency has first given its written consent to such capital improvements in its sole discretion.

Section 4.14. Developer Consent to Inclusion of Chevy Site Into TOD Planning Study Area.

(a) Prior to the Effective Date the Agency has provided the Developer with a copy of a Memorandum of Understanding, dated as of February 17, 2006 (the "TOD MOU") by and among the State of California Department of Transportation (Caltrans), the Los Angeles County Metropolitan Transportation Authority (MTA), the City of El Monte and the Agency which affects the publicly owned lands generally situated to the north and west of the Chevy Site. The Developer understands and agrees that the public agency parties to such Memorandum of Understanding are considering various development alternatives for such publicly owned property.

(b) The Developer hereby consents to the inclusion by the City and the Agency of the Chevy Site within the scope of the planning study area as contemplated under the TOD MOU subject to the following conditions:

(i) the inclusion of the Chevy Site within the scope of the TOD MOU planning study shall be at no cost to the Developer;

(ii) in the event that the City of El Monte may undertake to consider the formation of a specific plan area, or a transit village planning area, which specifically includes the Chevy Site within the scope of such land use planning and development designation, the Agency shall exercise best faith efforts to cause the City of El Monte to include reasonable provisions in such specific plan or transit village planning area which accommodate continued automobile retail sales and service land uses on the Chevy Site and such portions of the West Parcel which may hereafter not be acquired by the Agency.

(c) The Developer hereby agrees that each shall not initiate legal proceedings to challenge the validity of any agreement by and between the Agency and Caltrans and/or the Agency and MTA which may involve the implementation of any activities contemplated under the TOD MOU or any activities by and among Caltrans, MTA and the Agency which relate to the exercise by the Agency of its option to purchase the West Parcel under the terms and conditions of this Agreement.

ARTICLE V

Section 5.1. Defined Terms for West Parcel Option and West Parcel Escrow.

(a) As used in this Article V, the following words shall have the meaning set forth below :

- ***Agency Notice of Exercise of West Parcel Option*** or the ***Agency Option Notice*** means and refers to the written notice of the Agency addressed to the the owner of

the Chevy Site which references Article V of this Agreement, and includes a vicinity map of the West Parcel which has been marked by the Agency to show the appropriate dimensions of the West Parcel which the Agency proposed to acquire if such area of the West Parcel as identified in the Agency Option Notice is less than the westerly 1/3 of the Chevy Site. The form of the Agency Notice of Exercise of West Parcel Option is attached as Exhibit "K".

- ***Fair Market Value of the West Parcel*** shall mean and refer to the West Parcel Option Purchase Price as determined in accordance with the provisions of Section 5.4.

- ***Final Appraisal*** means and refers to the appraisal report described in Section 5.4(e) which shall set forth the Fair Market Value of the West Parcel in the event that the Developer and the Agency may not have agreed upon the indicated amount of Fair Market Value based upon the report of the Review Appraiser.

- ***West Parcel Option Escrow*** means and refers to the escrow as may hereafter be established by the Developer and the Agency under the provisions of the Agreement for Purchase of Real Property attached hereto as Exhibit "G".

- ***West Parcel Option Period*** means and refers to a period of time which shall commence on the date of recordation of the Notice of Redevelopment Agreement and which ends on the later date of (i) the close of the West Parcel Option Escrow or (ii) the fifth (5th) anniversary following the date of recordation of the Notice of Redevelopment Agreement, unless prior to such fifth (5th) anniversary date, the Agency has issued its Agency Notice of Exercise of West Parcel Option.

- ***West Parcel Option Purchase Price*** means and refers to the sum payable by the Agency to the owner of the Chevy Site at the close of the West Parcel Option Escrow. The West Parcel Option Purchase Price shall be the amount in immediate funds determined to the Fair Market Value of the West Parcel (or such portion thereof as identified in the Agency Notice of Exercise of West Parcel Option).

Section 5.2. Grant of Option By Developer to the Agency for Purchase of the West Parcel.

(a) Subject to the recordation of the Notice of Redevelopment Agreement and for good and valuable consideration, the Developer as the owner of the Chevy Site, hereby grants the Agency for the West Parcel Option Period the right to purchase the West Parcel, or so much thereof as the Agency may in its discretion designate in its Agency Option Notice, subject to the terms and conditions set forth in this Article V, for the West Parcel Option Purchase Price which shall hereafter be determined as provided in Section 5.4.

(b) The West Parcel Option shall not be assigned by the Agency to a third person.

(c) The Developer hereby covenants and warrants to the Agency that it has the right to grant the Agency the option to acquire the West Parcel.

(d) If at any time during the West Parcel Option Period, the West Parcel, or any portion thereof is acquired by a third party public agency including the City, by eminent domain proceedings or the threat of condemnation or otherwise, then the West Parcel Option shall terminate, whereupon the parties shall be mutually released from the provisions of Article V of this Agreement.

Section 5.3. Agency Notice of Exercise of West Parcel Option.

The Agency may issue its Agency Notice of Exercise of West Parcel Option at any time prior to the end of the West Parcel Option Period. The option granted by the Developer to the Agency to purchase the West Parcel shall be exercised by delivery of the Agency Option Notice. Such written notice shall refer to this Article V and otherwise be substantially in the form as set forth in Exhibit "K". Within one hundred and twenty (120) days after the delivery of the Agency Option Notice to the Developer, the Agency shall complete the appraisal process for the West Parcel as contemplated under Section 5.4, and for the TOD Replacement Property as contemplated under Section 5.7, and the Developer and the Agency shall jointly execute and deliver the Agreement for Purchase of Real Property in the form attached hereto as Exhibit "G", with the amount of the West Parcel Option Purchase Price filled in, along with the identification of the escrow holder and the title company, all as contemplated under the Agreement for Purchase of Real Property (West Parcel).

Section 5.4. Fair Market Value of the West Parcel.

(a) The Developer and the Agency hereby agree that the Fair Market Value of the West Parcel, and the West Parcel Option Purchase Price, shall be determined in accordance with this Section 5.4.

(b) Not less than ninety (90) days prior to the date on which the Agency may issue its Agency Option Notice, the Agency shall deliver a "Notice of Appraisal" of the West Parcel to the Developer. The words "Notice of Appraisal" as used in the preceding sentence shall have the same meaning as set forth in Government Code Section 7260 for the words "notice of appraisal"; provided however, that the Agency's property acquisition procedure for the West Parcel shall be as provided in this Agreement.

(c) The Agency Option Notice shall specify the provisional amount of the Fair Market Value of the West Parcel, based upon the approximate size of the portion of the West Parcel as designated in the Agency Option Notice and the opinion of value of the Agency's appraisal as set forth in a "Statement of Valuation" prepared for the West Parcel as this term is defined in Government Code Section 7267.2(b). Such Statement of Valuation indicating the Agency's provisional amount of the Fair Market Value of the West Parcel shall be attached to the Agency Option Notice.

(d) Within thirty (30) days following the Developer's receipt of the Agency Option Notice, the Developer shall either confirm its acceptance of the provisional sum of the Fair Market Value of the West Parcel as set forth in the Agency Notice of Option, or the Developer shall reject the provisional Fair Market Value amount and confirm in writing to the Agency, the designation of its appraiser who shall undertake the preparation of an appraisal report of the Fair Market Value of the West Parcel on behalf of the Developer.

(e) Within thirty (30) days following the Agency's receipt from the Developer of the Developer's designation of its appraiser, the Agency appraiser and the Developer appraiser shall jointly designate an independent third party appraiser (the "Review Appraiser") who shall undertake a review of the appraisal report of the Agency appraiser and the appraisal report of the Developer appraiser in accordance with the Uniform Standards of Professional Practice. The review appraiser shall prepare and complete a written report of his/her review of the two (2) appraisal reports (e.g., the Agency's appraisal report and the Developer's appraisal report), and provide a copy of such report to the Developer and the Agency within thirty (30) days following receipt by the Review Appraiser of both the appraisal reports from the Agency and the Developer. The Developer and the Agency shall jointly consider the report and recommendation of the Review Appraiser. Within fifteen (15) days following receipt of the Review Appraiser's report, if the Developer and the Agency cannot then jointly agree upon the Fair Market Value of the West Parcel, the Developer and the Agency shall jointly direct the Review Appraiser to select an independent third party appraiser who shall undertake the preparation of the final appraisal (the "Final Appraisal") indicating the Fair Market Value of the West Parcel.

(f) Each real estate appraiser identified in this Section 5.4, including the Review Appraiser, shall have not less than ten (10) years of experience in valuing commercial real property in California, shall be a Member of the Appraisal Institute and/or the American Society of Appraisers, and shall have been qualified to provide expert witness testimony in at least one condemnation trial in a Superior Court in Los Angeles County, Orange County or Ventura County within ten (10) years preceding the date of designation of such appraiser.

(g) In the event that the Developer and the Agency cannot jointly agree upon the Fair Market Value of the West Parcel within fifteen (15) days following their receipt of the report of the Review Appraiser, the Developer and the Agency shall jointly direct the Review Appraiser to select the independent third party appraiser who shall prepare the Final Appraisal. The Developer and the Agency shall be jointly responsible for paying for the cost of the preparation of such Final Appraisal and the Developer and the Agency hereby agree to execute such written contract for the engagement of the appraiser for the Final Appraisal which shall contain customary terms and conditions for the preparation of such an appraisal report which are consistent with the Uniform Standards of Professional Practice and this Article V.

(h) The appraiser who shall undertake the preparation of the Final Appraisal shall prepare such report as promptly as is reasonable following its receipt of a written contract for the Developer and the Agency to perform such services. The Final Appraisal shall be prepared in accordance with the same standards applicable to the report of the Agency's appraiser and the report of the Developer's appraiser. The opinion of the appraiser as set forth in the Final

Appraisal as to the Fair Market Value of the West Parcel, shall be final and conclusive on the Developer and the Agency.

(i) The Developer and the Agency shall be jointly responsible for paying for the costs, fees and expenses of the professional services of the Review Appraiser and the appraiser who prepares the Final Appraisal, and the Developer and the Agency shall each be responsible for paying for the costs, fees and expenses of their own appraisers under Section 5.4(b) and Section 5.4(d).

(j) The words "Fair Market Value" and "Fair Market Value of the West Parcel" as used in this Section 5.4 of this Agreement, mean and refer to the "fair market value", as this term is defined in Code of Civil Procedure Section 1263.320 for the West Parcel, where the date of value of the West Parcel (or so much thereof as is designated in the Agency Option Notice) is the date on which the Agency Option Notice is issued by the Agency to the Developer.

(k) The West Parcel Option Purchase Price shall be the Fair Market Value of the West Parcel as either accepted by the Developer under Section 5.4(d) or as jointly accepted by the Developer and the Agency under Section 5.4(e), or the sum as indicated as the Fair Market Value of the West Parcel in the Final Appraisal. The Fair Market Value of the West Parcel (and the Purchase Price payable by the Agency under the Agreement for Purchase of Real Property (West Parcel)) shall be subject to an adjustment based upon the final confirmation of the actual number of square feet included in the West Parcel or so much thereof as is designated in the Agency Notice of Exercise of Option as provided in the Agreement for Purchase of Real Property (West Parcel).

(l) Within ten (10) days following acceptance of the Developer under Section 5.4(d) of the joint agreement by the Developer and the Agency of the amount of the West Parcel Option Purchase Price under Section 5.4(e), or if applicable, within ten (10) days following the receipt by the Developer and the Agency of the Final Appraisal, the Developer and the Agency shall jointly execute the Agreement for the Purchase of Real Property with the indicated amount of the West Parcel Option Purchase Price inserted into the text of the Agreement for the Purchase of Real Property (See: Exhibit "G"), and if applicable, the Developer and the Agency shall jointly execute the TOD Lease as set forth in Section 5.7.

Section 5.5. Relocation Benefits Payable to Developer for West Parcel.

(a) In addition to the sum payable to the Developer as the West Parcel Option Purchase Price at the close of the escrow established by the Developer and the Agency under the Agreement for Purchase of Real Property, the Agency hereby agrees to pay the owner of the Chevy Dealer a sum of money which the Agency has approved as relocation benefits to the Chevy Dealer for the displacement of part of its business operations from the West Parcel, or so much thereof as acquired by the Agency. The words "relocation benefits" as used in the preceding sentence, shall mean and refer to the actual moving and related expenses of the Chevy Dealer which the Agency has determined reasonable and necessary under the provisions of Government Code Section 7262(a) based upon the presentation of a suitable detailed written claim for payment of relocation benefits as presented by the Chevy Dealer to the Agency.

Relocation benefits shall be payable by the Agency to the Chevy Dealer within sixty (60) days following the close of the escrow established by the Developer and the Agency under the Agreement for the Purchase of Real Property and the submission of the written relocation benefits payment claim of the Chevy Dealer as described in the preceding sentence.

(b) No other occupant of the West Parcel shall be entitled to payment of relocation benefits under this Section 5.5, and the owner of the Chevy Site and the Chevy Dealer shall each take appropriate action to inform all other potential occupants of the West Parcel that no relocation benefits shall be payable to such occupant by the Agency under this Agreement as a result of the displacement of such occupant from the West Parcel.

Section 5.6. Potential Loss of Business Goodwill Compensation.

In addition to the sums payable by the Agency to the owner of the Chevy Site under Section 5.4 and to the Chevy Dealer under Section 5.5 in connection with the Agency's acquisition of the West Parcel, the owner of the Chevy Dealership may also claim that it has suffered a "loss of goodwill" as this term is referred to under Code of Civil Procedure Section 1263.510. Such a claim of loss of goodwill shall be subject to proof as set forth in Code of Civil Procedure Section 1263.510, et seq. If the Chevy Dealer and the Agency are unable to agree upon an amount payable to the Chevy Dealer as loss of goodwill within ninety (90) days following the Agency's receipt of the information described in Code of Civil Procedure Section 1263.520 from the Chevy Dealer. In the event that the Chevy Dealer and the Agency cannot agree on the amount of loss of goodwill compensation, if any, payable by the Agency to the Chevy Dealer under this Section 5.6, then in such event, either party may initiate legal proceedings in the Superior Court to obtain all of its available remedies under the circumstances.

Section 5.7. TOD Replacement Property Lease for West Parcel.

(a) The Agency hereby agrees that in the event that the Agency may issue its Agency Notice of Exercise of West Parcel Option, that the Agency shall offer to lease the TOD Replacement Property to the Developer on the terms and conditions set forth in this Section 5.7. The Developer is under no obligation to accept the Agency's offer to lease the TOD Replacement Property.

(b) The Developer and the Agency hereby agree that the fair market annual rental rate to be charged by the Agency to the Developer for the TOD Replacement Property shall be determined in accordance with this Section 5.7.

(c) When the Agency delivers its Notice of Appraisal to the Developer under Section 5.4(b), the Agency shall also include in such notice a vicinity map which designates the TOD Replacement Property and shows the approximate dimensions of TOD Replacement Property, and shall indicate that the Agency has directed a real estate appraiser whose qualifications satisfy the requirements of Section 5.4(f), to prepare an appraisal indicating the annual rental rate to be charged by the Agency to the Developer for the TOD Replacement Property.

(d) Each appraisal report as may hereafter be prepared under this Section 5.7 shall include the following assumptions for purposes of determining the fair market annual rental rate for the TOD Replacement Property:

(i) the term of the TOD Leases shall be fifty (50) years following the commencement date as set forth in the TOD Lease;

(ii) the TOD Replacement Property shall be delivered to the Developer in the "pad ready" development condition as set forth in the TOD Lease (e.g. no above-ground structures on the TOD Replacement Property);

(iii) the use and development of the TOD Replacement Property shall be subject to the zoning and development regulations of the City as applicable to the TOD Replacement Property in effect as of the date not more than thirty (30) days prior to the date of the Agency Option Notice; and

(v) the use and occupancy of the TOD Replacement Property shall be subject to the general provisions set forth in the TOD Lease.

(e) The Agency Option Notice shall also specify the provisional amount of the fair market annual lease rate to be charged by the Agency to the Developer under the TOD Lease based upon the opinion of value of the Agency's appraiser as set forth in a written appraisal report for such TOD Lease.

(f) Within thirty (30) days following the Developer's report of the Agency's Option Notice, the Developer shall either confirm its acceptance of the provisional sum of the fair market annual rental rate for the TOD Replacement Property, or the Developer shall either:

(i) waive its right to lease the TOD Replacement Property from the Agency; or

(ii) accept the provisional amount of the fair market annual lease rate for the TOD Replacement Property; or

(ii) reject the provisional amount of the fair market annual lease rate for the TOD Replacement Property and confirm in writing to the Agency the designation of its appraiser who shall undertake the preparation of an appraisal report of the fair market annual rental rate for the TOD Replacement Property on behalf of the Developer.

(g) Within thirty (30) days following the Agency's receipt from the Developer of the Developer's designation of its appraiser for the TOD Lease, the Agency appraiser and the Developer appraiser shall jointly designate an independent third party appraiser (the "TOD Lease Review Appraiser") who shall undertake a review of the appraisal report of the Agency appraiser and the appraisal report of the Developer appraiser for the fair market annual rental rates for the TOD Replacement Property in accordance with the Uniform Standards of Professional Practice. The TOD Lease Review Appraiser shall prepare and complete a written

report of his/her review of the two (2) appraisal reports (e.g., the Agency's appraisal report and the Developer's appraisal report), and provide a copy of such report to the Developer and the Agency within thirty (30) days following receipt by the TOD Lease Review Appraiser of both the appraisal reports from the Agency and the Developer. The Developer and the Agency shall jointly consider the report and recommendation of the TOD Lease Review Appraiser. Within fifteen (15) days following receipt of the TOD Lease Review Appraiser's report, if the Developer and the Agency cannot then jointly agree upon the fair market annual rental rate of the TOD Property, the Developer and the Agency shall jointly direct the TOD Lease Review Appraiser to select an independent third party appraiser who shall undertake the preparation of the final appraisal (the "Final Appraisal for the TOD Lease") indicating the fair market annual rental rate for the TOD Replacement Property.

(h) In the event that the Developer and the Agency cannot jointly agree upon the fair market annual rental rate for the TOD Replacement Property within fifteen (15) days following their receipt of the report of the TOD Lease Review Appraiser, the Developer and the Agency shall jointly direct the TOD Lease Review Appraiser to select the independent third party appraiser who shall prepare the Final Appraisal for the TOD Lease. The Developer and the Agency shall be jointly responsible for paying for the cost of the preparation of such Final Appraisal for the TOD Lease and the Developer and the Agency hereby agree to execute such written contract for the engagement of the appraiser for the Final Appraisal for the TOD Lease which shall contain customary terms and conditions for the preparation of such an appraisal report which are consistent with the Uniform Standards of Professional Practice and this Article V.

(i) The appraiser who shall undertake the preparation of the Final Appraisal for the TOD Lease shall prepare such report as promptly as is reasonable following its receipt of a written contract for the Developer and the Agency to perform such services. The Final Appraisal for the TOD Lease shall be prepared in accordance with the same standards applicable to the report of the Agency's appraiser and the report of the Developer's appraiser. The opinion of the appraiser as set forth in the Final Appraisal of the TOD Lease, shall be final and conclusive on the Developer and the Agency.

(j) The Developer and the Agency shall be jointly responsible for paying for the costs, fees and expenses of the professional services of the Review Appraiser and the appraiser who prepares the Final Appraisal, and the Developer and the Agency shall each be responsible for paying for the costs, fees and expenses of their own appraisers under Section 5.4(b) and Section 5.4(d).

(k) The words "fair market value" and "fair market annual rental rate of the TOD Replacement Property" as used in this Section 5.7 of this Agreement, mean and refer to the "fair market value", as this term is defined in Code of Civil Procedure Section 1263.320 for the TOD Replacement Property under the terms and conditions of the TOD Lease, where the date of value of the TOD Parcel is the date on which the Agency Option Notice is issued by the Agency to the Developer.

(l) The annual rental rate for the TOD Replacement Property shall be the fair market annual rental rate of the TOD Replacement Property as either accepted by the Developer under Section 5.4(f) or as jointly accepted by the Developer and the Agency under Section 5.7(g), or the sum as indicated as the fair market annual rental rate for the TOD Replacement Property in the Final Appraisal of the TOD Lease under Section 5.7(i).

(m) Within ten (10) days following the joint agreement by the Developer and the Agency of the amount of the fair market annual rental rate of the TOD Replacement Property under Section 5.7(g), or if applicable, within ten (10) days following the receipt by the Developer and the Agency of the Final Appraisal of the TOD Lease, the Developer and the Agency shall jointly execute the TOD Lease with the indicated amount for the annual rental rate inserted into the text of the TOD Lease. The annual rental rate for the TOD Lease shall be subject to adjustment based upon the confirmation of the actual number of square feet included within the TOD Replacement Property.

(n) Not less than thirty (30) days before the Close of Escrow, the Developer shall prepare the "Building Description" which is Exhibit "B" to the TOD Lease. The Building Description shall set forth a suitably detailed description of the improvements which the Developer proposes to construct and install on the TOD Replacement Property promptly following the completion of the demolition work by the Agency as provided in the TOD Lease. At a minimum, the Building Description shall provide a description of the site improvements and landscaping to be installed by the Developer on the TOD Replacement Property such that the TOD Replacement Property can be used and occupied for automobile retail sales and service business uses of the Developer and subtenants of the Developer. The Building Description shall provide for a plan of improvement of the TOD Replacement Property which is consistent with the applicable requirements of the Specific Plan relating to the automobile retail sales and service use of the TOD Replacement Property. Developer shall commence the work of installing the improvements set forth in the Building Description within ninety (90) days following the completion by the Agency of the indicated demolition work on the TOD Replacement Property.

ARTICLE VI

DEFAULTS, REMEDIES AND TERMINATION

Section 6.1. Defaults--General.

Failure or delay by a party to perform any term or provisions of this Agreement constitutes a default under this Agreement. The party in default must immediately commence to cure, correct, or remedy such default within thirty (30) days after receipt of written notice of such default, and if the defaulting party does not diligently complete such cure, correction or remedy within a reasonable time, then a breach shall be deemed to have occurred and the non-defaulting party may assert its other rights and remedies. No default under this Agreement shall be deemed to exist during a thirty (30) day period of time following notice when the party alleged to be in default is diligently proceeding to cure the alleged default, if such default is capable of being cured in thirty (30) days, or during those periods of time as provided in Section 6.13 hereof

during which a force majeure event has occurred and written notice has been delivered to the other party. The party which claims that a default or breach has occurred shall give written notice of default, specifying the default complained of by the injured party in accordance with Section 6.13. Except as required to protect against further damage, the injured party may not institute proceedings against the party in default until thirty (30) days after giving such notice. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default.

Section 6.2. Bankruptcy, Insolvency or Dissolution of Developer. The occurrence of any of the following events prior to the end of the covenantS contained in Section 4.1 of this Agreement shall be deemed a material default by the Developer:

(1) the Developer files for bankruptcy protection or reorganization or becomes involved in any proceedings under the bankruptcy laws of the United States, or in the event that the Developer may be insolvent, or in the event that a receiver may be appointed for the Developer under state or federal law;

(2) the Developer suspends or terminates its legal status as a California limited liability company authorized to transact business in California without first transferring its interest in the New Site, and each portion thereof, and its obligations which arise under this Agreement, to a Transferee.

In view of the special community redevelopment goals and covenants for community redevelopment covenants which affect this Agreement, in the event that either the Developer shall be adjudicate bankrupt, or become involved in any proceedings under the bankruptcy laws of the United States, or if the interest of the Developer in this Agreement shall be transferred by operation of law at any time prior to the end of the term of the covenant contained in Section 4.1, the in such event, the trustee in bankruptcy, receiver, assignee or judgment purchaser shall be bound by all provisions of this Agreement, including but not limited to the provisions of Articles IV, V and VI of this Agreement.

Section 6.3. Institution of Legal Actions. Subject to the default provisions of Section 6.1, any 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. Any legal action, initiated pursuant to this Agreement or otherwise with respect to its subject matter, must be instituted in the Superior Court of the County of Los Angeles, State of California.

Section 6.4. Applicable Law. The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

Section 6.5. Acceptance of Service of Process.

(a) In the event that any legal action is commenced by the Developer against the Agency, service of process on the Agency shall be made by personal service upon the Agency Secretary.

(b) In the event that any legal action is commenced by the Agency against the Developer, service of process on the Developer may be made in any lawful manner including service upon Developer's designated agent for service of process.

Section 6.6. Rights and Remedies are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties as set forth herein, including any exhibit attached hereto, are cumulative, and the exercise by any party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by any other party.

Section 6.7. Inaction Not a Waiver of Default. Any failure or delay by a 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, or deprive any 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.

Section 6.8. Survival of Provisions. The provisions of the following Sections of this Agreement shall survive the termination of this Agreement:

_____
_____
_____

Section 6.9. Notices, Demands and Communications Between the Parties. Notices, demands and communications among the Agency, the Developer as required by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or, if mailed, upon receipt or rejection. If notice is given by mailing, it shall be sent by registered or certified mail, postage prepaid, return receipt requested, and properly addressed to the principal office of the party, as further designated in Section 6.20. 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 in writing.

Section 6.10. Conflict of Interest. No member, official or employee of the Agency having any conflict of interest, direct or indirect, related to this Agreement and the development of the Project, shall participate in any decision relating to the Agreement or the implementation thereof.

Section 6.11. Warranty Against Payment of Consideration for Agreement. The Developer warrants that it has paid or given, and will not pay or given, any third-party money or other consideration for obtaining this Agreement. For the purpose of this Section 6.11 the term "third parties" shall not include persons to whom fees were paid for professional services if rendered by attorneys, financial consultants, accountants, engineers, architects and the like when such fees are considered necessary by the Developer.

Section 6.12. Special Non-Liability of the Agency Officials and Employees. No member, official or employee of the Agency shall be personally liable to the Developer, or any successor in interest of either of them, in the event of any default or breach by the Agency 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.

Section 6.13. Enforced Delay: Extension of Time of Performance

(a) In addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in default, or considered to be a default, where delays or defaults are due to the force majeure events beyond the control of such party, including without limitation war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine restrictions, government imposed moratorium legislation, freight embargoes or lack of transportation, weather-caused delays, inability to secure necessary labor, materials or tools, delays of any contractors, subcontractor or supplier, which are not attributable to the fault of the party claiming that an event suspends the obligation of such party to perform an obligation arising under this Agreement, has occurred. An extension of time for any such force majeure cause shall be for the period of the enforced delay and shall commence to run from the date of occurrence of the delay; provided however, that the party which claims the existence of the delay has first provided the other party with written notice of the occurrence of the delay within thirty (30) days of the commencement of such occurrence of force majeure event and thereafter takes prompt and reasonable action within its control to resume the performance of the applicable work or obligation, and if applicable restore, reconstruct, rebuild any damage to the New Site Improvements caused by such force majeure event provided further that no force majeure event (or series of such events) shall have the effect of delaying the performance of the party which may claim that force majeure event has occurred for more than a total of ninety (90) days.

The inability of the Developer to land acquisition loans or other funds for the conduct of its business operation on the New Site, or the failure of the City to approve the Development Project Application for any New Site Improvement or later to issue any Development Project Permit with respect to any New Site Improvement (except by virtue of the effect of moratorium legislation) or the inability of the Developer to satisfy any other condition of this Agreement relating to the use or operation of the New Site, or any portion thereof, shall not be deemed to be a force majeure event or otherwise provide grounds for the assertion of the existence of a delay under this Section 6.13. The parties each expressly acknowledge and agree that changes in either general economic conditions or changes in the economic assumptions of any of them which may have provided a basis for entering into this Agreement occurring at any time after the execution of this Agreement, are not force majeure events and do not provide any party with grounds for asserting the existence of a delay in the performance of any covenant or undertaking which may arise under this Agreement. Each party expressly assumes the risk that changes in general economic conditions or changes in such economic assumptions could impose an inconvenience or hardship on the continued performance by such party under this Agreement, but that such inconvenience or hardship is not a force majeure event and does not excuse the performance by such party of its obligations under this Agreement.

(b) The Developer acknowledges that the Agency is a "public entity" and/or a "public agency" as defined under applicable California law. As a public body, the action of the governing board of the Agency in approving this Agreement may be subject to proceedings to invalidate the Agreement. The Developer hereby assumes the risk of delays and any loss that may result from any such third-party legal actions related to the Agency's approval of this Agreement or the pursuit of the redevelopment activities contemplated by this Agreement, even in the event that an error, omission or abuse of discretion by the Agency which a court of competent jurisdiction may determine to have occurred. If a third-party files a legal action regarding the Agency's approval of this Agreement, the Agency may terminate this Agreement on sixty (60) days written notice to the Developer of the Agency's intent to so terminate this Agreement, referencing this Section 6.13(b), without any further obligation to perform the terms of this Agreement and whereupon the parties shall be mutually released from any further responsibility under this Agreement. Within ten (10) days of receipt of the Agency's notice of intent to terminate this Agreement as provided in the preceding sentence, the Developer may offer to defend the Agency, in the third-party legal action and pay all of the court costs, attorney fees, monetary awards, sanctions, attorney fee awards and the expenses of any and all financial or performance obligations that may result from the disposition of the legal action. Any such offer from the Developer must be in the form of a written agreement to be considered by the Agency. The Agency is under no obligation to accept any such offer from the Developer and may elect to terminate this Agreement, under this subsection (b) notwithstanding any offer from the Developer under this subsection (b).

Section 6.14. Approvals. Approvals required by the Agency shall not be unreasonably withheld, conditioned or delayed.

Section 6.15. No Real Estate Commissions Payable By the Agency For Any New Site Parcel Transfer.

Each party to this Agreement represents and warrants to the other that the party has not dealt with any broker or real estate agent in connection with any matter covered by this Agreement, and that insofar as each party knows no broker, real estate agent, or other party is entitled to any commission or fee in connection therewith. Each party to this Agreement agrees to indemnify, defend and hold harmless the other party from and against any and all broker or real estate commission or finder fee by any person or entity claiming to have been retained by such indemnifying party in connection with the transfer of any Agency Parcel to the Developer.

Section 6.16. Claims, Indemnification and Developer Insurance Coverage.

(a) For purposes of this Section 6.16, the word "Claim" means any and all claims, losses, costs, damage, expenses, liabilities, liens, actions, causes of action (whether in tort or contract, at law or in equity, or otherwise), charges, assessments, fines, and penalties of any kind and environmental matters (including consultant and expert expenses, court costs, and attorneys fees actually incurred).

(b) To the fullest extent permitted by law, Developer shall, at its sole expense and with counsel reasonably acceptable to the Agency, indemnify, defend, and hold harmless the

Agency from and against any Claim or series of Claims arising out of or relating (directly or indirectly) to this Agreement, the operation of any Automobile Dealership on the New Site or any portion thereof, and the Developer's ownership of any portion of the New Site, including any Claim arising or relating to any negligence or fault attributable to the Developer associated with any of the following:

(i) the use or occupancy, or manner of use or occupancy, of any property in the Site, or any other property, areas or building(s) owned, occupied or used by the Developer or any Automobile Dealer;

(ii) any act, error, omission, or negligence attributable to the Developer in, on, or about the areas described in (b) and (b)(i), above;

(iii) any Claim by a third party relating to relocation assistance of compensation arising from any displacement from the New Site as may be alleged by such third party;

(iv) Developer conducting its business;

(v) any construction work, development work, tenant improvements, activities, work, or things done, omitted, permitted, allowed, or suffered by the Developer in connection with the New Site, including the violation of or failure to comply with any applicable laws, statutes, ordinances, standards, rules, regulations, order, decrees, or judgments and further including without limitation any claim or matter arising under the provisions of Section 4.10 of this Agreement; and

(vi) any breach or default in performance of any obligation by Developer to be performed under this Agreement, including obligations that survive expiration or earlier termination of this Agreement.

(c) This indemnification extends to and includes any Claim or series of Claims for:

(i) injury to any persons (including death at any time resulting from an injury);

(ii) loss of, injury or damage to, or destruction of property (including all loss of use resulting from that loss, injury, damage, or destruction); and

(iii) all economic losses and consequential or resulting damages of any kind.

(d) Except as provided in this subsection (d), the indemnification requirements shall apply regardless of the contributory or passive negligence of the Agency and regardless of whether liability without fault or strict liability is imposed or sought to be imposed on the Agency. The indemnification requirements shall not apply to the extent that a final judgment of a court of competent jurisdiction establishes that a Claim against the Agency was caused by the sole and active negligence or willful misconduct of the Agency.

(e) The indemnification provided by Developer may not be construed or interpreted as in any way restricting, limiting, or modifying Developer's insurance obligations or other obligations under this Agreement and is independent of the such insurance obligations and other obligations. Compliance by Developer with the insurance requirements and other obligations under this Agreement shall not in any way restrict, limit, or modify its indemnification obligations under this Agreement.

(f) Agency shall be entitled to recover its actual attorney fees and court costs incurred in enforcing these indemnification clauses.

(g) The indemnification clauses in favor of the Agency in this Section 6.16 shall survive the expiration or early termination of this Agreement until all claims against the Agency involving any of the indemnified matters are fully, finally, and absolutely barred by applicable statutes of limitations.

(h) The duty of Developer to defend the Agency is separate and independent of Developer's duty to indemnify the Agency. The duty to defend includes claims for which the Agency may be liable without fault or strictly liable. The duty to defend applies regardless of whether the issues of negligence, liability, fault, default, or other obligation on the part of the Developer or the Agency have been determined. The duty to defend applies immediately, regardless of whether the Agency paid any sums or incurred any detriment arising out of or relating (directly or indirectly) to any Claims. It is the express intention of the parties that the Agency be entitled to obtain declaratory relief, summary adjudication or summary judgment regarding the Developer's duty to defend the Agency at any stage of any Claim or suit.

(i) The Developer shall, at its sole expense, comply with all requirements, guidelines, rules, orders, and similar mandates and directives pertaining to the Developer's activities relative to the New Site, or any portion thereof, whether or not imposed by the Developer's insurers. The Developer shall, at its sole expense, comply with all rules, orders, regulations, or requirements of the American Insurance Association (formerly the National Board of Fire Underwriters) and of any similar body applicable to the Developer's activities relative to the Project.

(j) The Developer shall continuously maintain comprehensive general liability insurance applicable to the New Site, and each portion thereof, buildings and improvements thereon, covering losses from damage to property and injury or death to persons with a policy limit of no less than Five Million Dollars ($5,000,000), including an extended liability endorsement, if applicable to the New Site, or any portion thereof, and naming the Agency as an additional insured. Unless otherwise specified in the Agreement, or unless expressly and in each instance waived by the Agency in writing, said insurance shall (i) be placed with companies licensed to do business in the State of California, and (ii) be placed with companies with a Best's Insurance Guide, current edition, rating of "A" or better and indicated to be of sufficient size to qualify for Best's Insurance Guide, current edition, designation VIII. The Developer assumes all risk of insufficient coverage of risks or amounts and acknowledges that the insurance requirements set forth herein are not intended to indicate what the Developer should, in its exercise of its prudent and reasonable judgment, obtain. The insurance certificates shall confirm that no insurance policy shall be cancelled or modified without thirty (30) days prior written

notice to the Agency, except that the notice period shall be ten (10) days for non-payment of premiums. The Developer shall maintain said policies in the possession of the Developer and said policies shall be kept available by the Developer at all times for inspection by the Agency, its agents or insurers. Upon request, the Developer shall provide the Agency with proof of premiums paid for each policy term so long as the Agreement remains in effect. The Developer shall be the first or primary named insured.

(k) The Agency shall be named by endorsement as additional insured under Developer's liability coverage. The additional insured endorsement must be on ISO Form CG 20 11 11 85 or an equivalent acceptable to the Agency, with such modifications as the Agency may require.

(l) The Developer's liability policies shall be endorsed as needed to provide cross-liability coverage for the Developer and Agency and to provide severability of interests.

(m) The Developer's liability policies shall be endorsed as needed to provide that the insurance afforded by those policies to the additional insured is primary and that all insurance carried by the Agency is strictly excess and secondary and shall not contribute with the Developer's liability insurance.

(n) The coverage afforded to the Agency must be at least as broad as that afforded to the Developer and may not contain any terms, conditions, exclusions, or limitations applicable to the Agency that do not also apply to the Developer.

(o) The Developer shall deliver to the Agency the above mentioned endorsements as well as a certified copy of the Developer's liability policy or policies and an original certificate of insurance, executed by an authorized agent of the insurer or insurers, evidencing compliance with the liability insurance requirements of this Agreement. The certificate shall provide for no less than thirty (30) days' advance written notice to the Agency from the insurer or insurers of any cancellation, nonrenewal, or material change in coverage or available limits of liability and shall confirm compliance with the liability insurance requirements in this Agreement.

(p) Any "endeavor to" or "failure to mail such notice shall impose no obligation or liability of any kind upon the Company" language and any similar language shall be stricken from the certificate.

(q) The Developer's liability insurance coverage may be provided by a combination of primary, excess, and umbrella policies, but those policies must be absolutely concurrent in all respects regarding the coverage afforded by the policies. The coverage of any excess or umbrella policy must be at least as broad as the coverage of the primary policy.

(r) The Developer shall, at its sole expense maintain in full force and effect the liability insurance coverage required under this Agreement and shall maintain the Agency as additional insured for a period of no less than two (2) years after expiration or earlier termination of this Agreement.

(s) The insurance requirements set forth above are independent of the Developer's exculpation, indemnification, and other obligations under this Agreement and shall not be construed or interpreted in any way to restrict, limit, or modify the those exculpation, indemnification, or other obligations or to limit the Developer's liability under this Agreement.

(t) If the Developer fails to procure and maintain the insurance required of it under this Agreement and does not cure such failure within thirty (30) days of the date of notice of such failure to the Developer from the Agency, the Agency may, but shall not be required to, procure and maintain such insurance and be reimbursed for the cost of such insurance by the Developer or, alternatively, the Agency may terminate this Agreement upon written notice to the Developer.

(u) The Agency makes no representation that the limits or forms of coverage of insurance specified in this Agreement are adequate to cover the Developer's property, business operations or obligations under this Agreement.

(v) The Agency and the Developer agree to cause the insurance companies issuing their respective insurance to waive any subrogation rights that those companies may have against the Developer and the Agency, respectively, as long as the insurance is not invalidated by the waiver. If the waivers of subrogation are contained in their respective insurance policies, the Agency and the Developer waive any right that either may have against the other on account of any loss or damage to their respective property to the extent that the loss or damage is insured under their respective insurance policies.

Section 6.17. No Partnership.

Nothing in the Agreement nor any acts of the parties hereto shall be deemed or construed by the parties hereto, or any of them, or by any third person, to create the relationship of principal and agent, or of partnership, or of joint venture, or of any association between any of the parties to this Agreement.

Section 6.18. Attorney's Fees.

If either party hereto files any action or brings any action or proceeding against the other arising out of this Agreement, then as between the Developer and the Agency, the prevailing party shall be entitled to recover as an element of its costs of suit, and not as damages, its reasonable attorneys' fees as fixed by the court in such action or proceeding or in a separate action or proceeding brought to recover such attorneys' fees.

In the event either the validity of this Agreement or the implementation hereof is at any time challenged by a third party through the filing of a validation action or any other court proceeding, the Developer may elect to either terminate this Agreement or to dispute such challenge. In the event the Developer elects to dispute any such challenge, the Developer shall either (i) provide a full defense to the Agency of such challenge at the sole cost and expense of the Developer and pay all expenses incurred by the Agency in connection therewith, or (ii) reimburse the Agency for providing for the defense of such challenge.

Section 6.19. Severability.

If any clause, sentence or term or condition of this Agreement is held invalid or unenforceable for any reason by a court of competent jurisdiction, the remaining portions of this Agreement will remain in full force and effect, provided the resulting agreement preserves the material economic effect of this Agreement.

Section 6.20. Notices. Any notice to be provided or permitted under this Agreement shall be in writing, signed by the party giving such notice and sufficiently given if hand delivered, delivered by an overnight messenger/delivery service, delivered by facsimile or mailed by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of the Agency and the Developer set forth below (and to the Persons named below to receive copies). Such notices, if delivered (i) by hand, shall be deemed given when delivered, (ii) by an overnight messenger/delivery service, shall be deemed given upon delivery or one Business Day after the sending of such notice, whichever occurs earlier, (iii) by facsimile, shall be deemed given upon confirmation of receipt, and (iv) by mail, shall be deemed given five (5) Business Days after deposit in the U.S. mail. Notice that starts the running of any cure period and is delivered on a non-Business Day shall be deemed delivered on the next following Business Day if left at the notice address or the next Business Day on which it is redelivered if it is not left at the notice address.

The names and addresses of those representatives of each party to which notices shall be sent are:

TO DEVELOPER: _____
_____
_____
_____

TO AGENCY: El Monte Community Redevelopment Agency
11333 Valley Boulevard
El Monte, California 91731
Attn: Executive Director
Phone: (626) 580-2249
Fax: (626) 444-2183

Such addresses shall be subject to change from time to time to such other representatives or addresses as may have been specified in written notice given by the intended recipient to the sender in accordance with this Section 6.12.

Section 6.21. Attachments.

This Agreement shall be executed in three (3) duplicate originals, each of which is deemed to be an original. The Agreement includes 42 pages and twelve (12) exhibits indicated as Exhibit "A" through and including Exhibit "L" which constitute the entire understanding and agreement of the parties.

Section 6.22. Amendment of Agreement.

This Agreement may be amended from time to time by written agreement executed by the parties.

Section 6.23. Execution in Counterpart Originals.

The Agreement may be executed by the parties in counterparts and when each such counterpart is delivered by the parties, this Agreement shall be deemed to be fully executed and in effect.

[EDITOR'S NOTE: THIS AGREEMENT IS IN DRAFT FORM AND PRIOR TO THE FULL EXECUTION HEREOF BY THE PARTIES EACH PROVISION THEREOF IS SUBJECT TO THE MODIFICATION OR WITHDRAWAL BY EITHER OF THE PARTIES IN WHOLE OR IN PART IN THE SOLE AND ABSOLUTE DISCRETION OF EITHER OF THEM]

THIS AGREEMENT is executed by the Developer and the Agency as evidenced by the signatures of the authorized officer of each of them which appear below:

DEVELOPER

Gunderson Automotive Group, LLC
a California limited liability company

Date: _____, 2006 By: _____

AGENCY

El Monte Community Redevelopment Agency
a public body corporate and politic

Date: _____, 2006 By: _____

Date: _____, 2006 By: _____

APPROVED AS TO FORM:

_____
Agency Counsel

Exhibit "A"

Vicinity Map Showing the New Site

Exhibit "A"

Vicinity Map Showing the New Site

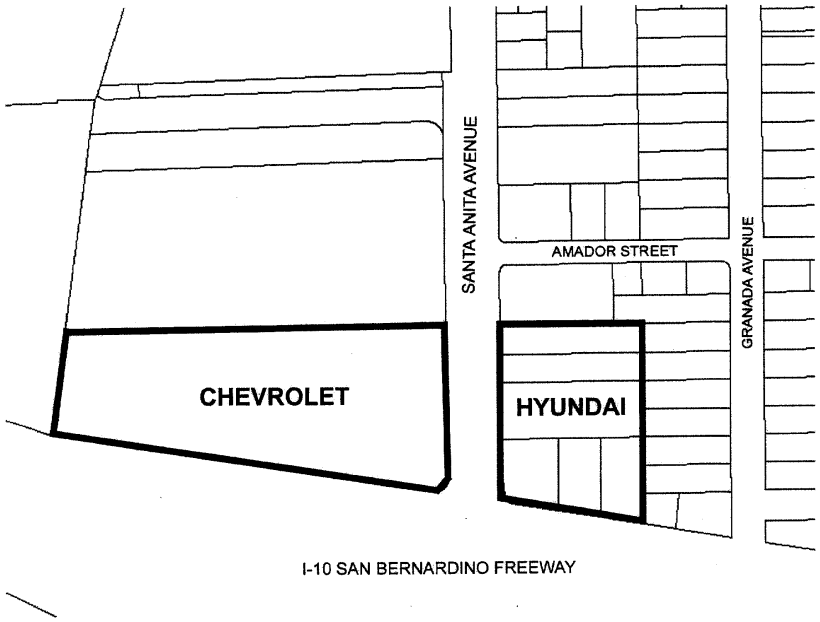


Exhibit "B"

Vicinity Map of the Hyundai Site

Exhibit "B"

Vicinity Map of the Hyundai Site

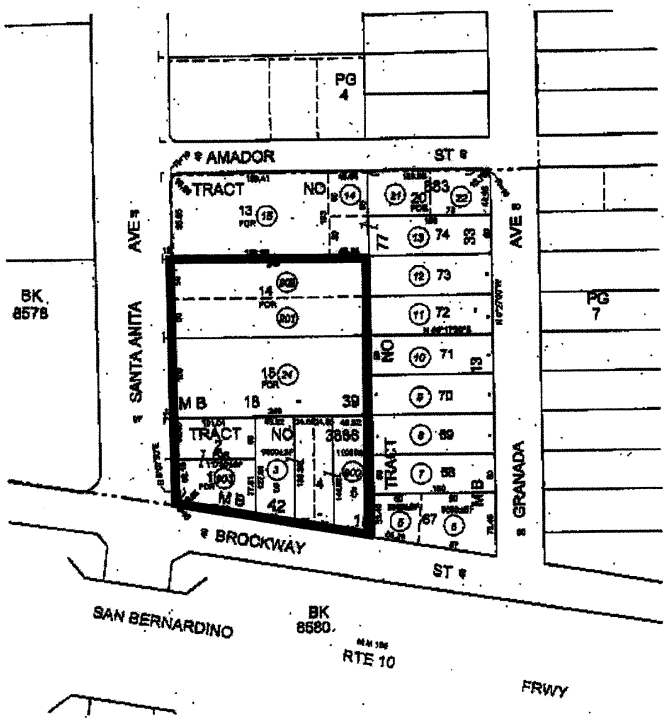


Exhibit "C"

Legal Description of the Agency Lands

Exhibit "C"

Legal Description of Agency Lands

APN: 8579-005-900
ADDRESS: 10623 BROCKWAY STREET

ALL OF LOT 5 AND THE EASTERLY HALF OF LOT 4, MEASURED ALONG THE NORTHERLY AND SOUTHERLY LINES OF SAID LOT 4 OF TRACT NO. 3886, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 42 PAGE 18 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 8579-005-901
ADDRESS: 3352 SANTA ANITA AVENUE

THE SOUTH 50 FEET OF LOT 14 OF TRACT NO. 883, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 18 PAGE 39 OF MAPS, IN THE OFFICE OF THE COUNTY OF RECORDER OF SAID COUNTY.

APN: 8579-005-903
ADDRESS: 3334 SANTA ANITA AVENUE

PARCEL 1:

LOT 1 OF TRACT NO. 3886, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 42 PAGE (S) 18 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.
PARCEL 2:

LOT 2 OF TRACT NO. 3886, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 42 PAGE (S) 18 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 8579-005-902
ADDRESS: 3358 SANTA ANITA AVENUE

THE NORTH 50 FEET OF LOT 14 OF TRACT NO. 883, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 18 PAGE 39 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

Exhibit "D"

Vicinity Map Showing the Chevy Site and the Location of the West Parcel Within the Chevy Site

Exhibit "D"

Vicinity Map Showing the Chevy Site and the Location of the West Parcel Within the Chevy Site

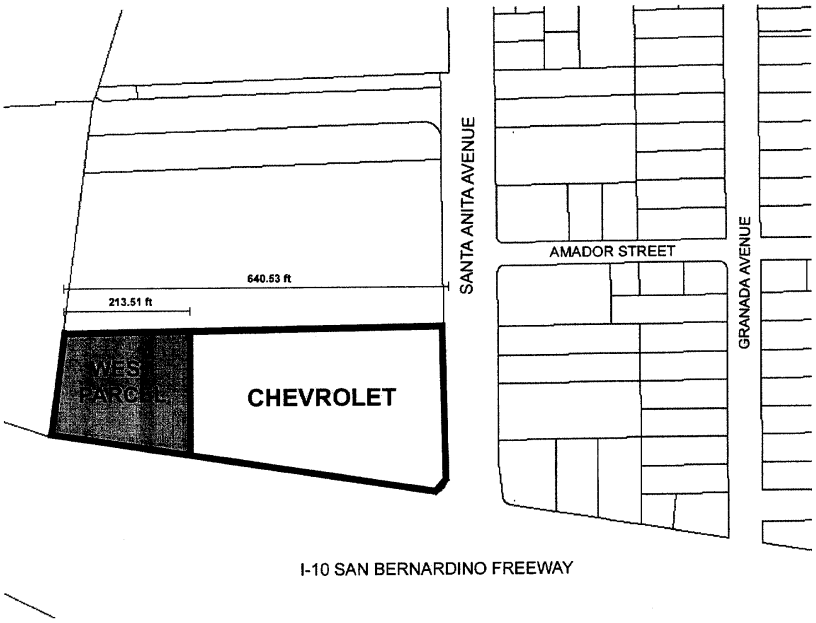


Exhibit "E"

Legal Description of the Chevy Site

Exhibit "F"

Form of Agreement for Disposition of Real Property and Escrow Instructions (Developer Option Escrow)

AGREEMENT FOR DISPOSITION OF REAL PROPERTY AND ESCROW INSTRUCTIONS (AGENCY LANDS)

THIS AGREEMENT FOR DISPOSITION OF REAL PROPERTY AND ESCROW INSTRUCTIONS ("Agreement") is made and entered into as of July 1, 2006, by and between Gunderson Automotive Group, LLC, a California limited liability company (the "Developer"), and El Monte Community Redevelopment Agency, a public body corporate and politic (the "Agency"), with reference to the following facts:

RECITALS

A. The Agency owns certain real property located in the County of Los Angeles, State of California, which is more particularly described in Exhibit "A" attached hereto and commonly known as _____ Santa Anita Avenue, El Monte, California ("Agency Land"). As used herein, the defined term "Property" means, collectively, all right, title and interest of Agency in and to (a) the Agency Land, including, without limitation, all easements, rights-of-way, and appurtenances benefiting such land, (b) all improvements, structures and fixtures now or hereafter located upon the Agency Land (the "Improvements"), (c) all tangible personal property now or hereafter located on the Agency Land and used in connection with operation thereof (the "Personal Property"), and (d) all leases and service contracts pertaining to the Property.

B. The Developer and the Agency have previously entered into that certain agreement entitled "Restated Owner Participation Agreement", dated as of July 1, 2006 (the "Restated Owner Participation Agreement").

C. The Agency desires to sell to Developer, and Developer desires to purchase from Agency, the Property on the terms and conditions contained herein.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS, PREMISES AND AGREEMENTS HEREIN CONTAINED, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

1. Purchase and Sale. The Agency acknowledges that the Developer has satisfied the conditions set forth in Section 2.2(b) of the Restated Owner Participation Agreement and that the Developer has requested the Agency to execute this Agreement. Accordingly, the Agency hereby agrees to sell, and Developer agrees to purchase, the Property for the "Purchase Price" (as hereinafter defined) and upon the other terms and conditions hereinafter provided.

2. Purchase Price; Opening of Escrow; Deposit.

2.1 Purchase Price. The total purchase price for the Property shall be One Hundred Dollars ($100) in United States currency ("Purchase Price").

2.2 Opening of Escrow. Escrow ("Escrow") shall be deemed to be opened as of the date fully-executed copies (or counterparts) of this Agreement are delivered to _____ Title Company, at its offices at _____, California _____ ("Escrow Holder"), by Developer

and the Agency ("Opening of Escrow"). This Agreement shall be considered as the escrow instructions between the parties, with such further instructions as Escrow Holder shall require clarifying its duties and responsibilities. If Escrow Holder shall require further escrow instructions, Escrow Holder may prepare such instructions on its usual form. Such further instructions shall be promptly signed by Developer and the Agency and returned to Escrow Holder within three (3) business days of receipt thereof. In the event of any conflict between the terms and conditions of this Agreement and such further instructions, the terms and conditions of this Agreement shall control.

2.3 Balance. Two (2) business days prior to the Close of Escrow, Developer shall deposit with Escrow Holder into Escrow in cash or other immediately available funds an amount equal to the sum of (i) the Purchase Price and (ii) Developer's share of Escrow Holder's fees, costs and expenses and any allocable prorations pursuant to the terms of this Agreement.

3. Inspections and Studies; Review of Title.

3.1 Inspection Period. Developer shall have until 5:00 p.m., Pacific time on the thirtieth (30th) day following the date on which the Agency has executed this Agreement (such period being referred to herein as the "Inspection Period") to review and approve the title and feasibility matters described below in Sections 3.2 and 3.3. If Developer determines not to proceed with its purchase of the Property, then Developer shall, before the end of the Inspection Period, notify Agency in writing that Developer has disapproved all of the matters described in such Sections (the "Disapproval Notice"). If Developer fails to give Agency such Disapproval Notice prior to the expiration of the Inspection Period, Developer shall be deemed to have approved all of the matters described in such Sections. If Developer elects not to proceed with its purchase of the Property, Developer shall deliver to Agency all documents, reports, inspections and studies obtained or prepared by Developer or on its behalf in connection with Developer's review of the title and feasibility matters (the "Feasibility Studies").

3.2 Inspections. The Developer shall have the right to physically inspect and survey the Property, to conduct soils, engineering, percolation, geological, hazardous and toxic materials and environmental and other tests on the Property, to review zoning, building and other applicable ordinances, laws and regulations, to perform feasibility studies and to plan Developer's further use, development and operation of the Property (the foregoing collectively the "Inspections"). All Inspections shall be done at Developer's sole cost and expense. Notwithstanding the foregoing, in no event shall Developer conduct any Phase II testing or any other invasive testing or sampling of soil or materials either as part of its audit or other invasive inspection of the Property without the prior written consent of the Agency.

3.3 Procedure for Review of Title. After the Opening of Escrow, Developer shall instruct Escrow Holder to order a preliminary report covering the Property, together with legible copies of all documents referred to therein and a map or plat of the Property with all determinable easements and other exceptions to title plotted thereon from _____ Title Company, at its offices at _____, California _____ ("Title Company") for delivery to Developer and the Agency. Such preliminary report, documents and map or plat together with any supplements which may be issued by the Title Company from time to time are collectively referred to herein as the "PTR". In the event Developer disapproves any matter affecting title in

writing, Developer shall notify Agency in writing prior to the expiration of the Inspection Period of those matters which Developer disapproves ("Title Defects"); provided, however, that Developer need not identify the Redevelopment Plan, the lease agreement by and between the Developer and the Agency, dated as of June, 2005 (the "Agency Lease") or the effect of any matter involving Equilon, LLC as Title Defects. The Agency may elect (but shall have no obligation to do so) to cure or remove such Title Defects to Developer's satisfaction within five (5) days after receiving Developer's written disapproval notice (the "Agency's Response Period"). The Agency's failure to notify Developer prior to the expiration of the Agency's Response Period shall be deemed Agency's election not to cure or remove such Title Defects. If the Agency elects to remove or cure any Title Defects, the Agency shall have until the Close of Escrow to cure or remove such Title Defects (the "Cure Period"). If the Agency cannot cure or remove any or all of the Title Defects which the Agency has agreed in writing to cure or remove, the Agency shall notify Developer of Agency's failure to cure such Title Defects. If the Agency notifies Developer that the Agency elects not to cure or remove any Title Defects (or the Agency is deemed to have elected not to cure or remove any Title Defects), or if the Agency notifies Developer that the Agency was unable to cure or remove any and all Title Defects which Agency agreed in writing to cure or remove within the Cure Period, Developer may as its sole remedy within five (5) days after receipt of such notice from the Agency (or if the Agency does not provide such notice, within five (5) days after Agency's Response Period) (but in any event, no later than the "Closing Date" (as hereinafter defined)), either (i) terminate this Agreement by written notice to the Agency (in which case, neither party shall have any further obligation hereunder except as set forth under the Agency Lease and as for those obligations which expressly survive the termination of this Agreement), or (ii) elect in writing to waive such Title Defects. If Developer fails to terminate this Agreement within such period, then any Title Defects that Agency has failed to cure or remove or which the Agency has elected (or deemed to have elected) not to cure or remove shall be deemed approved by Developer.

3.4 Conditions to Right of Entry. The Developer has possession of the Property under the Agency Lease. Upon completion of Developer's Inspections of the Property, if any hereunder, Developer shall return the Property to its condition immediately prior to such Inspections. Developer will be responsible for and will promptly pay all costs incurred for on-site or other engineering, soil, geological, hazardous and toxic materials, environmental and other tests and similar costs with respect to the Property, which are incurred or caused by Developer. Upon the request of the Agency, Developer shall promptly deliver to the Agency copies of any reports relating to any testing or other inspection of the Property performed by Developer or its agents, employees or contractors. Developer shall keep all information pertaining to the Property confidential and shall not contact or disclose such information to any person or any governmental or quasi-governmental authority with respect to the Property without first obtaining the prior written consent of Agency thereto. The Agency, at the Agency's election, shall be entitled to have a representative on any phone or other contact made by Developer to any governmental or quasi-governmental authority and present at any meeting by Developer with any governmental or quasi-governmental authority. Developer shall maintain, and shall assure that its contractors maintain, public liability and property damage insurance in amounts and in form and substance adequate to insure against all liability of Developer and its agents, employees or contractors, arising out of any entry or inspections of the Property pursuant to the provisions hereof, and Developer shall provide Agency with evidence of such insurance coverage upon request by the Agency. Developer shall indemnify and hold the Agency harmless from and against any costs, damages, liabilities, losses, expenses, liens or claims (including, without limitation, reasonable attorneys' fees) arising out of or relating to any entry on

the Property by Developer, its agents, employees or contractors in the course of performing the inspections, tests or inquiries provided for in this Agreement. The foregoing indemnity shall survive the Close of Escrow or earlier termination of this Agreement.

3.5 Title Conditions. At the Close of Escrow, the Agency shall convey title to the Property to Developer by grant deed in the form of Exhibit "B" attached hereto (the "Grant Deed"), subject to all matters whether or not of record and all matters that would be disclosed by a physical inspection and/or an accurate survey thereof. It shall be a condition to Developer's obligations to close on the Closing Date that Title Company shall be willing to issue a standard coverage policy of title insurance (the "Title Policy") insuring title to the Property vested in Developer, in the amount of the Purchase Price subject to (a) non-delinquent liens for real estate taxes and assessments, and (b) all other matters shown on the PTR (and any supplement thereto), including, without limitation, any exceptions to title disclosed by any survey and any boilerplate exceptions customarily imposed by title companies in the State of California; provided, however, that the Title Policy shall not be subject to (i) any Title Defects which the Agency has agreed to cure or remove in writing except as otherwise provided in Section 3.3, and (ii) the Notice of Redevelopment Agreement described below in Section 4.2.4. At Developer's option, and without any further right of approval past the Inspection Period, and provided the Close of Escrow is not delayed thereby, Developer may obtain, at Developer's sole cost and expense, an extended coverage policy of title insurance, in which case Developer shall obtain at its sole cost and expense and deliver to Title Company an ALTA survey. Notwithstanding the foregoing, the Agency shall not be required to provide any affidavit to the Title Company containing representations or warranties for the benefit of Title Company that are more unfavorable to the Agency than any corresponding representation or warranty to Developer set forth in this Agreement. No default shall be deemed to have occurred on the part of the Agency if the condition contained in this Section 3.5 has not been satisfied as of the Closing Date, and the Agency does not covenant to cause the foregoing condition to be satisfied on the Closing Date.

4. Escrow.

4.1 Closing Date; Close of Escrow. Provided that no default has occurred and then exists under the Restated Owner Participation Agreement, the "Closing Date" shall occur by a date not later than December 31, 2006, subject to the verification by the Escrow Holder that the Developer has acquired the fee interest in the "Chevy Site", as this term is defined in the Restated Owner Participation Agreement. As used herein, the defined term "Close of Escrow" shall mean the date on which the Developer has acquired all of the fee interest in the Chevy Site and the Grant Deed together with the Notice of Redevelopment Agreement, are recorded in the Official Records of Los Angeles County, California.

4.2 Developer Deliveries. Prior to the execution of this Agreement by the Agency the Developer has delivered the verification set forth in Section 2.1 of the Restated Owner Participation Agreement to the Agency. Following the complete execution of the Agreement by the parties, the Developer shall deliver to Escrow the following:

4.2.1 Concurrently with the Opening of Escrow, this Agreement;

4.2.2 Two (2) business days prior to the Close of Escrow, the payment required by Section 2.4;

4.2.3 Two (2) business days prior to the Close of Escrow, two (2) copies of a cancellation of Agency Lease, in substantially the form attached as Exhibit "C" (the "Agency Lease Cancellation"), duly executed on behalf of Developer;

4.2.4 Two (2) business days prior to the Close of Escrow, two (2) copies of the Notice of Redevelopment Agreement, in the form attached as Exhibit "D" duly executed on behalf of the Developer; and

4.2.5 Such other documents as Title Company may reasonably require from Developer in order to issue the Title Policy.

4.3 Agency Deliveries. The Agency shall deliver to Escrow the following:

4.3.1 Two (2) business days prior to the Close of Escrow, a duly executed and acknowledged Grant Deed;

4.3.2 Two (2) business days prior to the Close of Escrow, two (2) copies or counterparts of the Agency Lease Cancellation, duly executed on behalf of the Agency;

4.3.3 Two (2) business days prior to the Close of Escrow, copies or counterparts of the instruments referred to as the "Notice of Redevelopment Agreement" (see Exhibit "D");

4.3.4 Two (2) business days prior to the Close of Escrow, a completed Certificate of Non Foreign Status, in substantially the form of Exhibit "E", duly executed by the Agency;

4.3.5 Two (2) business days prior to the Close of Escrow, an FTB Form 593-C or 593-W, duly executed by the Agency;

4.3.6 Such other documents as Title Company may require from the Agency in order to issue the Title Policy; provided, however, that the Agency shall not be required to provide any indemnity or affidavit which imposes liability on the Agency beyond the Agency's liability under this Agreement or as otherwise limited in Section 3.5.

4.4 Developer's Costs. Developer shall pay the following:

4.4.1 All of Escrow Holder's fee, costs and expenses;

4.4.2 The cost of recording the Grant Deed and the Notice of Redevelopment Agreement, including documentary and any other transfer taxes;

4.4.3 The cost of the Title Policy;

4.4.4 The cost of any endorsements to the Title Policy (including, standard and extended coverage);

4.4.5 The cost of any surveys and Inspections requested or performed by or on behalf of Developer; and

4.4.6 All other costs customarily borne by purchasers of real property in Los Angeles County.

4.4.7 Agency's Costs. The Agency shall not be responsible for the payment of any cost or expense associated with this Agreement or the Close of Escrow.

4.5 Prorations and Other Allocations.

4.5.1 Real property taxes, assessments and any rents related to the Property shall be prorated through Escrow between Developer and the Agency as of the Close of Escrow. Tax and assessment prorations shall be based on the latest available tax bill. If after the Close of Escrow, the Agency receives any further or supplemental tax bill relating to any period either before or after the Close of Escrow, the Agency shall promptly deliver a copy of such tax bill to the Developer, and not later than ten (10) days prior to the delinquency date shown on such tax bill, Developer and Agency shall deliver to the taxing authority the amount of such tax bill.

4.5.2 [RESERVED – NO TEXT]

4.5.3 Agency shall have utility meters read as of the Close of Escrow and shall be responsible for all utility services to the Property both before and after the Close of Escrow.

4.5.4 Developer shall be responsible for payment of all maintenance services at the Property (such as, janitorial services, guard services and similar services (to the extent applicable)) both before and after the Close of Escrow.

4.5.5 Developer shall cause its policies of insurance for the Property to be maintained effective both before and after the Close of Escrow, and Developer shall be responsible for obtaining its own insurance. Escrow Holder shall have no responsibility for such insurance.

4.6 Duties of Escrow Holder.

4.6.1 At the Close of Escrow, Escrow Holder shall:

4.6.1.1 Record the Grant Deed in the Official Records of Los Angeles County, California, with the correct legal description of the Property attached, with instructions to deliver the Grant Deed when recorded to Developer;

4.6.1.2 Record the Notice of Redevelopment Agreement;

4.6.1.3 Assemble complete copies of the Agency Lease termination from the copies or counterparts deposited by Developer and the Agency, and date the Agency Lease Termination as of the Close of Escrow;

4.6.1.4 Charge Developer for the costs, fees, expenses and prorations provided in this Agreement;

4.6.1.5 Deliver to Developer a complete copy of the Agency Lease Termination as assembled, the Title Policy and the certificate of non foreign status and the FTB Form 593-W deposited by Agency; and

4.6.1.6 Deliver a complete copy of the New Agency Matters, as assembled, and the Purchase Price, plus any amounts credited to the Agency on account of any prorations.

5. Casualty; Condemnation. Developer shall be bound to purchase the Property for the full Purchase Price in accordance with the terms hereof, without regard to the occurrence or effect of any damage to the Property or the destruction of any of the Improvements, or condemnation of any portion of the Property, provided that the allocation of any such award for damages to the Property and the affect of such condemnation upon the Agency Lease shall be as provided in the Agency Lease.

6. Brokers and Finders. The Agency and Developer represent and warrant to each other that they know of no broker, agent, or finder entitled to any commission or fee regarding the purchase and sale of the Property, and the Agency and Developer each agrees to indemnify the other for a breach of this representation and warranty, which indemnity representation and warranty shall survive the Close of Escrow or earlier termination of this Agreement.

7. Default.

7.1 Agency's Default. In the event that the Close of Escrow does not occur within the time required herein due to a breach of this Agreement by the Agency, Developer's sole and exclusive remedies shall be either (a) to terminate this Agreement, or (b) to pursue an action for specific performance of this Agreement.

7.2 DEVELOPER'S DEFAULT; LIQUIDATED DAMAGES. IN THE EVENT THAT THE ESCROW HEREUNDER SHALL FAIL TO CLOSE THE ESCROW FOR ANY REASON OTHER THAN A DEFAULT ON THE PART OF THE DEVELOPER, THE AGENCY SHALL BE RELEASED FROM THE AGENCY'S OBLIGATION TO TRANSFER THE PROPERTY TO DEVELOPER UNDER THIS AGREEMENT AND/OR THE RESTATED OWNER PARTICIPATION AGREEMENT AND, BY INITIALLING THIS PARAGRAPH 7.2 IN THE SPACE BELOW, THE PARTIES HEREBY EXPRESSLY AGREE THAT THE AGENCY, SHALL RECEIVE AND MAY RETAIN, AS THE AGENCY'S LIQUIDATED DAMAGES, THE SUM OF TWENTY FIVE THOUSAND DOLLARS ($25,000) FROM DEVELOPER. THE PARTIES EXPRESSLY AGREE THAT THE SUM OF $25,000 IS IN THE AGGREGATE NOT AN UNREASONABLE MEASURE OF DAMAGES WHICH WOULD BE SUFFERED BY THE AGENCY DUE TO THE FAILURE OF THE CLOSE OF ESCROW TO OCCUR. RETENTION OF SUCH FUNDS SHALL BE THE AGENCY'S SOLE AND EXCLUSIVE REMEDY FOR DEVELOPER'S FAILURE TO COMPLETE THE TRANSFER OF THE PROPERTY; PROVIDED, HOWEVER, THAT THE AGENCY SHALL BE PERMITTED TO SEEK ADDITIONAL DAMAGES WITH RESPECT TO DEVELOPER'S INDEMNIFICATION OBLIGATIONS HEREUNDER AND THE PROVISION FOR ATTORNEYS' FEES UNDER SECTION 22. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE AGENCY WAIVES ALL RIGHTS TO OBTAIN DEVELOPER'S SPECIFIC PERFORMANCE OF THE RESTATED OWNER PARTICIPATION AGREEMENT OR THIS AGREEMENT,

INCLUDING WITHOUT LIMITATION ANY RIGHTS PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1680 AND 3384 THROUGH 3395.

Developer's Initials _____ Agency's Initials _____

8. Warranties, Representations and Covenants.

8.1 Agency's Authority. The Agency hereby represents and warrants that (a) it is a community redevelopment agency, duly organized and existing and in good standing under the laws of the State of California, (b) the person executing this Agreement has full right and power and authority to execute and deliver this Agreement as provided herein, and (c) no consent of a third party is necessary for the Agency to consummate the transactions contemplated herein.

8.2 Developer's Authority. Developer hereby represents and warrants that (a) it is a limited liability company duly organized and existing and in good standing under the laws of the State of California, (b) the person executing this Agreement has full right and power and authority to execute and deliver this Agreement as provided herein and that it has full right and power to acquire the Property as provided herein, and (c) no consent of a third party is necessary for Developer to consummate the transactions contemplated herein.

8.3 Bankruptcy; Insolvency. Developer and the Agency each hereby represents and warrants to the other party that such party has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by such party's creditors, (iii) suffered the appointment of a receiver to take possession of all, or substantially all, of such party's assets, (iv) suffered the attachment or other judicial seizure of all, or substantially all, of such party's assets, (v) admitted in writing its inability to pay its debts as they come due, or (vi) made an offer of settlement, extension or composition to its creditors generally.

8.4 Adjacent Property. Developer hereby represents and warrants to the Agency that Developer owns the real property immediately adjacent and contiguous to the Property as set forth in the plot map of the Property attached hereto as part of Exhibit "A".

8.5 Leases. To Developer's actual knowledge, Developer represents and warrants that the following tenants (collectively, the "**Tenants**") are periodically paying rent to the Developer with respect to such tenants occupancy of a portion of the Property _____. The Agency makes no representation or warranty as to the validity or enforceability of the Termination of Agency Lease with respect to any such tenant. The Agency shall not be responsible for the payment of any claim for relocation assistance as may hereafter be asserted against the Agency by any Tenant who is purportedly displaced by the Developer from the Property. The provisions of this Section 8.5 shall survive the Close of Escrow or earlier termination of this Agreement.

8.6 Change in Condition of the Property. During the period commencing on Developer's approval of its feasibility and title review in accordance with Section 3 through the Closing Date, the Developer shall not take any action inconsistent with Developer's current operation of the Property

under the Agency Lease, and Developer shall not enter into any new leases or subleases or service contracts or amend any service contracts in any material manner without the Agency's prior written approval, as determined in the Agency's reasonable discretion.

9. Developer's Independent Investigation; AS-IS; Release.

9.1 Investigation. Developer acknowledges and agrees that it has been given under the Agency Lease, or will be given during the Inspection Period, a full opportunity to inspect and investigate each and every aspect of the Property, either independently or through agents of Developer's choosing, including, without limitation: (a) all matters relating to title to the Property, together with all governmental and other legal requirements such as taxes, assessments, zoning, use permit requirements and building codes; (b) the physical condition and aspects of the Property, including, without limitation, the interior, exterior, and the square footage within any of the Improvements and within each tenant space therein, the structure, seismic aspects, paving, utilities and all other physical and functional aspects of the Property; (c) any easements and/or access rights affecting the Property; (d) any leases and all matters in connection therewith, including, without limitation, the ability of the tenants to pay the rent and the economic viability of such tenants; (e) any service contracts and any other documents or agreements of material significance affecting the Property; and (f) all other matters of material significance affecting the Property. In addition, Developer's examination of the physical condition of the Property shall include an examination for the presence or absence of "Hazardous Substances" (as hereinafter defined) which shall be performed or arranged by Developer at Developer's sole expense. For purposes of this Agreement, "Hazardous Substances" shall mean without limitation, all of the following:

(a) those substances included within the definitions of "hazardous substance," "hazardous waste," "hazardous material," "toxic substance," "solid waste," or "pollutant or contaminate" in CERCLA, RCRA, TSCA, HMTA, or under any other environmental law; and

(b) those substances listed in the United States Department of Transportation (DOT)Table [49 CFR 172.101], or by the EPA, or any successor agency, as hazardous substances [40 CFR Part 302]; and

(c) other substances, materials, and wastes that are, or become, regulated or classified as hazardous or toxic under federal, state, or local laws or regulations; and

(d) any material, waste, or substance that is:

(1) a petroleum or refined petroleum product,

(2) asbestos,

(3) polychlorinated biphenyl,

(4) designated as a hazardous substance pursuant to 33 USC Section 1321 or listed pursuant to 33 USC Section 1317,

(5) a flammable explosive.

Notwithstanding the foregoing, Developer shall not conduct any invasive testing at the Property without the prior written consent of the Agency, which consent shall be granted or conditioned in the Agency's reasonable discretion.

9.1.1 AS-IS. DEVELOPER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT THE AGENCY IS TRANSFERRING AND DEVELOPER IS ACQUIRING THE PROPERTY ON AN "AS IS, WITH ALL FAULTS" BASIS AND THAT DEVELOPER IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, MADE BY THE AGENCY, ITS AGENTS OR OTHERS AS TO ANY MATTER CONCERNING THE PROPERTY OR ANY OF THE DUE DILIGENCE MATERIALS, INCLUDING, WITHOUT LIMITATION: (I) THE QUALITY, NATURE AND ADEQUACY OF THE PHYSICAL CONDITION OF THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, THE STRUCTURAL AND SEISMIC ASPECTS OF THE PROPERTY, THE FOUNDATION, ROOF, APPURTENANCES, ACCESS, LANDSCAPING, PARKING FACILITIES OF THE PROPERTY, THE ELECTRICAL, MECHANICAL, HVAC, PLUMBING, SEWAGE, UTILITY SYSTEMS, FACILITIES AND APPLIANCES OF THE PROPERTY, THE SQUARE FOOTAGE WITHIN THE IMPROVEMENTS AND WITHIN EACH TENANT SPACE THEREIN, (II) THE QUALITY, NATURE, ADEQUACY, AND PHYSICAL CONDITION OF THE SOILS, GEOLOGY AND ANY GROUNDWATER ON OR IN THE VICINITY OF THE PROPERTY, (III) THE EXISTENCE, QUALITY, NATURE, ADEQUACY AND PHYSICAL CONDITION OF UTILITIES SERVING THE PROPERTY, (IV) THE DEVELOPMENT POTENTIAL OF THE PROPERTY AND THE PROPERTY'S USE, HABITABILITY, MERCHANTABILITY, OR THE FITNESS, SUITABILITY, VALUE OR ADEQUACY OF THE PROPERTY FOR ANY PARTICULAR PURPOSE, (V) THE ZONING OR OTHER LEGAL STATUS OF THE PROPERTY OR ANY OTHER PUBLIC OR PRIVATE RESTRICTIONS AFFECTING THE PROPERTY, (VI) COMPLIANCE OF THE PROPERTY OR ITS OPERATION WITH ANY APPLICABLE CODES, LAWS, REGULATIONS, STATUTES, ORDINANCES, COVENANTS, CONDITIONS AND/OR RESTRICTIONS OF ANY GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY OR OF ANY OTHER PERSON OR ENTITY, (VII) THE PRESENCE OF HAZARDOUS MATERIALS IN, ON, UNDER OR ABOUT THE PROPERTY OR THE ADJOINING OR NEIGHBORING PROPERTIES, (VIII) THE QUALITY OF ANY LABOR AND MATERIALS USED TO CONSTRUCT ANY IMPROVEMENTS, (IX) THE CONDITION OF TITLE TO THE PROPERTY, AND (X) THE ECONOMICS OF THE OPERATION OF THE PROPERTY. BY ACCEPTANCE OF THE GRANT DEED AND BY DEVELOPER'S HAVING CLOSED ITS PURCHASE OF THE PROPERTY, DEVELOPER AGREES THAT (I) IT IS ASSUMING FOR THE BENEFIT OF THE AGENCY ALL OF THE OBLIGATIONS OF THE AGENCY WITH RESPECT TO THE TITLE MATTERS FROM AND AFTER THE CLOSE OF ESCROW, AND (II) THE AGENCY SHALL HAVE CONCLUSIVELY SATISFIED ITS OBLIGATIONS HEREUNDER WITH RESPECT TO DELIVERY OF TITLE TO THE PROPERTY.

9.2 Release. Without limiting the above, Developer, on behalf of itself and its successors and assigns, waives its right to recover from, and forever releases and discharges the Agency and any entity related to the Agency and the officers, employees and agents of each of them from any and all demands, claims, legal or administrative proceedings, losses, liabilities, damages, penalties,

fines, liens, judgments, costs or expenses whatsoever, including, without limitation, attorneys' fees and costs, whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with (i) the Property, including, without limitation, declarations, restrictions, grants of easements, parking agreements and/or maintenance agreements, (ii) the physical condition of the Property, including, without limitation, all structural and seismic elements, all mechanical, electrical, plumbing, sewage, heating, ventilating, air conditioning and other systems, the environmental condition of the Property, any Hazardous Substances in, on, under or about the Property, or (iii) any law or regulation applicable to the Property, including, without limitation, any environmental law and/or any other federal, state or local law (collectively, the "Released Claims"); provided however, that the Released Claim shall exclude any error, act or omission of the Agency which is not related to the Property. Developer represents, warrants and agrees that: (i) it understands that it is releasing potentially unknown claims; (ii) such releases are fairly and knowingly made; (iii) it is aware that it has limited knowledge with respect to certain of the Released Claims, and (iv) it specifically allocates the risk of any mistake by any party in entering into this Agreement to the party or parties who later claims it was mistaken. Developer hereby waives any and all rights which it may have under or pursuant to the provisions of Section 1542 of the Civil Code of the State of California, and any rights it may have under any other similar statute, regulation or common law of any state or of the United States. Section 1542 of the Civil Code of the State of California provides:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASES, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

Developer understands fully the statutory language of Section 1542 of the Civil Code of the State of California and, having been so apprised, by placing its initials in the space provided below, Developer nevertheless releases the Agency from all known or unknown Released Claims, as provided above.

_____
Developer's Initials

9.3 Survival. The provisions of this Section 9 shall survive the Close of Escrow or earlier termination of this Agreement.

10. Possession. Possession of the Property shall be delivered to Developer at the Close of Escrow, subject to the possessory interests of third parties as created by the Developer on the property.

11. Time is of the Essence. Time is of the essence in all phases of this Agreement and the Escrow referred to herein.

12. Notices. Any and all notices, demands or other communications required or desired to be given hereunder by any party shall be in writing and shall be validly given or made to another party (i) if served personally; (ii) if deposited in the United States mail, certified or registered, postage prepaid, return receipt requested; (iii) if delivered by Federal Express or other overnight package

delivery service; or (iv) if delivered by facsimile transmission be addressed to the party to whom such notice, demand or other communication is to be given, provided that concurrently with such facsimile transmission a copy is delivered by one of the methods authorized in items (i), (ii) or (iii); in each case as follows:

To Agency:

El Monte Community Redevelopment Agency
11333 Valley Boulevard
El Monte, California 91731
Facsimile: (626) 580-2197
Telephone: (626) 444-2183
Attn: Eugene Moy, Redevelopment Director

To Developer:

Gunderson Automotive Group, LLC
_____
_____
_____
Facsimile: _____
Telephone: _____

To Escrow Holder:

_____ Title Company
_____
_____
_____
Facsimile: _____
Telephone: _____

or to any other address designated by the Developer, the Agency or Escrow Holder as provided above. Any such notice shall be deemed effective only upon receipt.

In the event Developer or the Agency utilizes "facsimile" transmitted signed documents, Escrow Holder may rely upon such documents as if they bore original signatures. Documents necessary for recording, however, must bear original signatures.

13. Applicable Law and Severability. This document shall, in all respects, be governed by the laws of the State of California applicable to agreements executed and to be wholly performed within the State of California. Nothing contained herein shall be construed so as to require the commission of any act contrary to law, and wherever there is any conflict between any provision contained herein and any present or future statute, law, ordinance or regulation contrary to which the parties have no legal right to contract, the latter shall prevail but the provision of this document which is affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law.

14. Successors and Assigns. Subject to the provisions of this Section, all of the terms and provisions contained herein shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns. Neither party shall be permitted to assign any direct or indirect interest in this Agreement to any person without obtaining the prior written consent of the party, as determined in such party's sole discretion. In connection with any such assignment pursuant to the terms hereof, the assignee shall reconfirm, in a written instrument acceptable to the Agency and delivered to the Agency prior to the effective date of such assignment, that all of the terms and provisions of this Agreement including, without limitation, Developer's representations, warranties and releases herein, shall apply to such assignee.

15. Exhibits. All exhibits attached hereto and referred to herein are hereby incorporated herein as though set forth in full.

16. Separate Counterparts. This Agreement may be executed in two or more separate counterparts, each of which, when so executed, shall be deemed to be an original. Such counterparts shall, together, constitute and be one and the same instrument.

17. Entire Agreement. This Agreement constitutes the entire understanding and agreement of the parties and any and all prior agreements with respect to the disposition of the Property under the Restated OPA following the Opening of Escrow .

18. Captions. The captions appearing at the commencement of the paragraphs hereof are descriptive only and for convenience in reference. Should there be any conflict between any such caption and the paragraph at the head of which it appears, the paragraph and not such caption shall control and govern in the construction of this Agreement.

19. Construction. For all purposes of interpretation or construction of this Agreement, the singular shall include the plural and the plural shall include the singular.

20. Waiver. The waiver by any party to this Agreement of a breach of any provision of this Agreement shall not be deemed a continuing waiver or a waiver of any subsequent breach whether of the same or another provision of this Agreement.

21. No Obligation to Third Parties. Execution and delivery of this Agreement shall not be deemed to confer any rights upon, directly, indirectly or by way of subrogation, nor obligate either of the parties hereto to, any person or entity other than each other and their respective affiliates.

22. Attorney's Fees. In the event of litigation between the parties arising out of this Agreement or the performance hereof, the Court in such litigation shall award reasonable attorney's fees and costs to the prevailing party. Such award shall not be computed in accordance with any Court schedule but shall be such as to fully reimburse reasonable attorney's fees actually incurred in good faith, regardless of the size of the judgment, it being the intention of the parties to fully compensate for all reasonable attorney's fees and costs paid or incurred in good faith.

23. Time. All periods of time referred to in this Agreement shall include all Saturdays, Sundays and California state or national holidays unless the reference is to business days, in which event such weekends and holidays shall be excluded in the computation of time; provided that, if the last date to perform any act or give any notice with respect to this Agreement shall fall on a Saturday, Sunday or

California state or national holiday, such act or notice shall be deemed to have been timely performed or given on the next succeeding day which is not a Saturday, Sunday or California state or national holiday.

24. Disclaimers.

24.1 Arm's Length Transaction. This Agreement has been negotiated at arm's length and between persons (or their representatives) sophisticated and knowledgeable in the matters dealt with in this Agreement. Accordingly, any rule of law (including California Civil Code 1654 and any successor statute) or legal decision that would require interpretation of any ambiguities against the party that has drafted it (or whose representative prepared it) is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purpose of the parties and this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement for Disposition of Real Property and Escrow Instructions as of the day and year first above written.

AGENCY

El Monte Community Redevelopment Agency, a public body corporate and politic

By:_____
Name:_____
Title: _____

Date of Execution: _____, 2006

APPROVED AS TO FORM:

_____
Agency Counsel

DEVELOPER

Gunderson Automotive Group, LLC, a California limited liability company

By_____
Managing Member

Date of Execution: _____, 2006

ACCEPTED AND AGREED AS TO "ESCROW HOLDER"

_____ TITLE COMPANY

By:_____
_____
Print Name and Title

Date of Execution: _____, 2006

LIST OF EXHIBITS

Exhibit "A"	-	Description of Property and Plot Map
Exhibit"B"	-	Grant Deed
Exhibit"C"	-	Notice of Termination of Agency Lease
Exhibit"D"	-	Form of Notice of Redevelopment Agreement
Exhibit"E"	-	Certificate of Non Foreign Status

EXHIBIT A

DESCRIPTION OF PROPERTY AND PLOT MAP

EXHIBIT B

GRANT DEED

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL THIS DEED
AND TAX STATEMENTS TO:

Gunderson Automotive Group
_____
_____
_____

(Above Space for Recorder's Use Only)

EL MONTE COMMUNITY REDEVELOPMENT AGENCY
GRANT DEED

TRANSFER TAX NOT A
MATTER OF PUBLIC RECORD

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the El Monte Community Redevelopment Agency, a public body corporate and politic, a California limited liability company ("**Grantor**"), hereby grants to Gunderson Automotive Group, LLC, a California limited liability company ("**Grantee**"), that certain real property ("**Property**") located in the County of Los Angeles, State of California, and more particularly described in Exhibit "A", attached to and incorporated into this Grant Deed by this reference, SUBJECT TO (a) real property taxes and assessments not delinquent, (b) matters of title of record (including, without limitation, covenants, conditions, restrictions, easements, rights, rights of way, liens and encumbrances), (c) matters of title not of record (including, without limitation, those which are apparent or ascertainable by an inspection or survey of the Property), and (d) matters affecting the condition of title to the Property suffered or created by or with the written consent of Grantee. The implied covenants set forth in Section 1113 of the California Civil Code are expressly disclaimed by Grantor and restrained.

[Signature on following page]

IN WITNESS WHEREOF the Grantor has executed this Grant Deed as of the date set forth below.

Dated: _____, 2006

GRANTOR

El Monte Community Redevelopment Agency, a public body corporate and politic

By:_____
Name: _____
Title: _____

ACCEPTANCE OF DELIVER OF PROPERTY

Gunderson Automotive Group, LLC, the Grantee in the within instrument, hereby acknowledges its acceptance of the delivery of the Property form the Grantor.

GRANTEE

Gunderson Automotive Group, LLC, a California limited liability company

By:_____
Name: _____
Title: _____

EXHIBIT "A"

LEGAL DESCRIPTION

All that certain real property located in the County of Los Angeles, State of California, and more particularly described as follows:

STATE OF CALIFORNIA

SS.

COUNTY OF LOS ANGELES

On _____ before me _____,
personally appeared _____,
personally known to me (or 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.

WITNESS my hand and official seal. [Seal]

Signature_____

My Commission Expires: _____

EXHIBIT C

NOTICE OF TERMINATION OF AGENCY LEASE

EXHIBIT D

NOTICE OF REDEVELOPMENT AGREEMENT

EXHIBIT E

CERTIFICATION OF NON FOREIGN STATUS

Internal Revenue Code Section 1445

Section 1445 of the Internal Revenue Code provides that transferee of a United States real property interest must withhold the tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon the disposition of a United States real property interest by the El Monte Community Redevelopment Agency, a public body corporate and politic ("Agency"), and with the knowledge that the transferee will rely upon the following statements, the undersigned hereby certifies the following on behalf of Agency.

1. Agency is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);

2. Agency's United States employer identification number is _____; and

3. The Agency's office address is _____.

The Agency understands that this Certification may be disclosed to the Internal Revenue by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury, I declare that I have examined this Certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of the Agency.

Dated: _____

"AGENCY"

El Monte Community Redevelopment Agency,
a public body corporate and politic

By:_____
Name: _____
Title: _____

Exhibit "G"

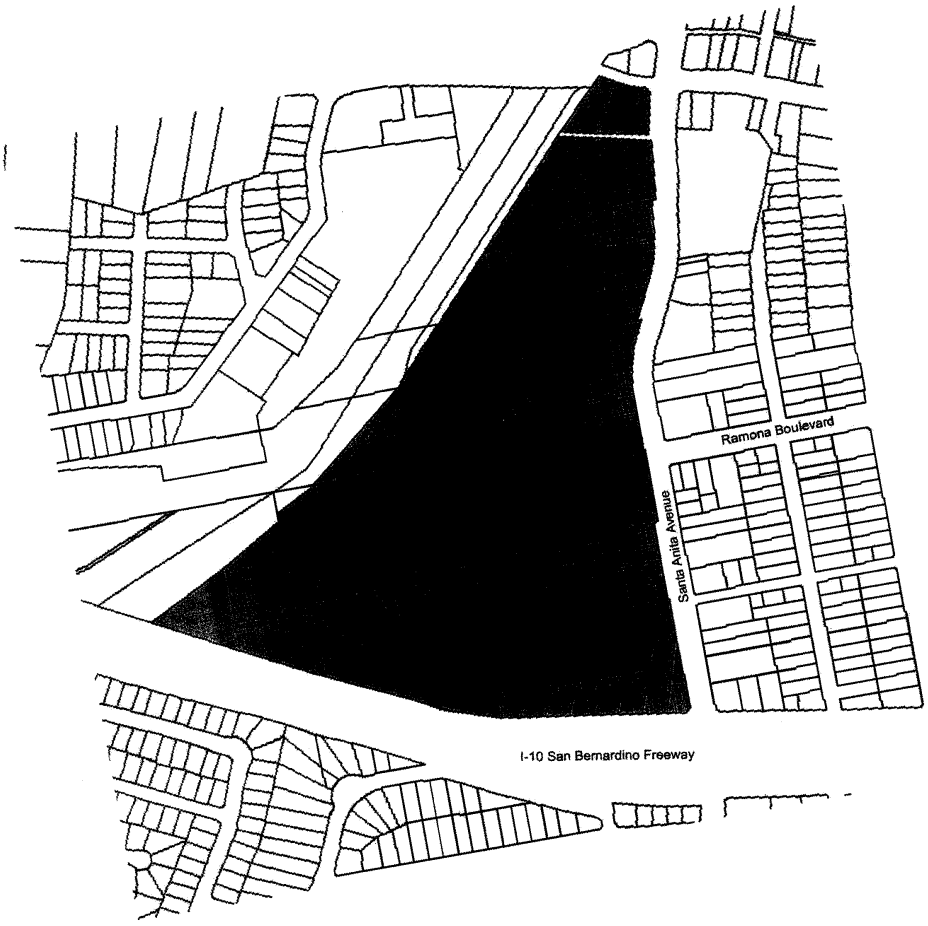
Form of Agreement for Purchase of Real Property and Escrow Instructions (Agency Option to Purchase the West Parcel)

Exhibit "H"

Vicinity Map Showing Location of Proposed
El Monte Transit Village Specific Plan Area

Exhibit "H"

Vicinity Map Showing Location of Proposed El Monte Transit Village Specific Plan Area



AGREEMENT FOR PURCHASE OF REAL PROPERTY AND ESCROW INSTRUCTIONS (WEST PARCEL)

THIS AGREEMENT FOR DISPOSITION OF REAL PROPERTY AND ESCROW INSTRUCTIONS ("Agreement") is made and entered into as of _____, by and between Gunderson Automotive Group, LLC, a California limited liability company (the "Developer"), and El Monte Community Redevelopment Agency, a public body corporate and politic (the "Agency"), with reference to the following facts:

RECITALS

A. The Developer and the Agency have previously entered into an agreement entitled "Restated Owner Participation Agreement (Gunderson Automotive Group)" dated as of July 1, 2006 (the "Restated OPA") which affects certain lands owned by the Developer, including affects certain lands owned by the Developer, including without limitation the lands referred to in the Restated OPA as the "West Parcel".

B. The Agency has issued its "Agency Notice of Exercise of West Parcel Option" as this term is defined in the Restated OPA to the Developer on _____, ____. The amount of the "provisional Fair Market Value" for the West Parcel as indicated in the Agency Notice of Exercise of West Parcel Option is _____ Dollars ($_____).

C. Concurrently with its transmittal of the Agency Notice of Exercise of West Parcel Option, the Agency has provided the Developer with the "provisional amount of the fair market annual lease rate" to be charged under the "TOD Lease" as these terms defined in Section 5.7 of the Restated OPA. The amount of the provisional fair market annual lease rate for the TOD Lease as indicated in the Agency Notice of Exercise of West Parcel Option is _____ Dollars ($_____) per year.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS, PREMISES AND AGREEMENTS HEREIN CONTAINED, THE DEVELOPER AND THE AGENCY HEREBY AGREE AS FOLLOWS:

1. Purchase and Sale. Developer agrees to sell, and Agency agrees to purchase, the West Parcel for the "Purchase Price" (as hereinafter defined) and upon the other terms and conditions hereinafter provided.

2. Purchase Price; Opening of Escrow; Deposit.

2.1 Purchase Price. The total purchase price for the West Parcel shall be the sum as determined in accordance with Section 5.4 of the Restated OPA, which is _____ Dollars ($_____) in United States currency ("Purchase Price").

2.2 Opening of Escrow. Escrow ("Escrow") shall be deemed to be opened as of the date fully-executed copies (or counterparts) of this Agreement are delivered to _____ Title Company, at its offices at _____, California _____ ("Escrow Holder"), by Agency and the Developer ("Opening of Escrow"). This Agreement shall be considered as the escrow

instructions between the parties, with such further instructions as Escrow Holder shall require clarifying its duties and responsibilities. If Escrow Holder shall require further escrow instructions, Escrow Holder may prepare such instructions on its usual form. Such further instructions shall be promptly signed by Agency and the Developer and returned to Escrow Holder within five (5) business days of receipt thereof. In the event of any conflict between the terms and conditions of this Agreement and such further instructions, the terms and conditions of this Agreement shall control.

2.3 Deposit. Concurrently with the Opening of Escrow, the Agency shall deposit with Escrow Holder into Escrow the amount of One Hundred Thousand Dollars ($100,000) (the "Deposit"), in cash or by wire transfer of immediately available funds. Escrow Holder shall place the Deposit into an interest-bearing account at a bank or other financial institution reasonably satisfactory to the Developer, and interest thereon shall be credited to the Developer's account. Upon the Agency's approval or deemed approval of its "Inspections" (as hereinafter defined), the Deposit (A) shall be non-refundable to the Agency except upon a default by the Developer hereunder; (B) shall serve as liquidated damages for the benefit of the Developer pursuant to Section 7.2; and (C) shall be applicable against the Purchase Price at the "Close of Escrow" (as hereinafter defined). If the Agency disapproves its review of the feasibility and title matters prior to the expiration of the Inspection Period in accordance with Section 3.1, this Agreement shall terminate and neither party shall have any further obligation hereunder except as for those obligations which expressly survive the termination of this Agreement.

2.4 Balance of Purchase Price. Two (2) business days prior to the Close of Escrow, the Agency shall deposit with Escrow Holder into Escrow in cash or other immediately available funds an amount equal to the sum of (i) the Purchase Price less the Deposit and (ii) Agency's share of Escrow Holder's fees, costs and expenses and any allocable prorations pursuant to the terms of this Agreement.

3. Inspections and Studies; Review of Title.

3.1 Inspection Period.

(a) The Agency shall have until 5:00 p.m., Pacific time on the ninetieth (90th) day following the Opening of Escrow such period being referred to herein as the "Inspection Period") to review and approve the title and feasibility matters described below in Sections 3.2 and 3.3. If the Agency determines not to proceed with its purchase of the West Parcel, then the Agency shall, before the end of the Inspection Period, notify the Developer in writing that the Agency has disapproved all of the matters described in such Sections (the "Disapproval Notice"). If the Agency fails to give the Developer such Disapproval Notice prior to the expiration of the Inspection Period, the Agency shall be deemed to have approved all of the matters described in such Sections. If the Agency elects not to proceed with its purchase of the West Parcel, the Agency shall deliver to the Developer all documents, reports, inspections and studies obtained or prepared by the Agency or on its behalf in connection with the Agency's review of the title and feasibility matters (the "Feasibility Studies").

(b) The provisions of Section 3.1(a) shall also apply to any proposed inspection by the Developer of the TOD Replacement Property for the purpose of the Developer conducting any such inspection of the TOD Replacement Property.

3.2 Inspections.

(a) Commencing upon Opening of Escrow, the Agency shall have the right to physically inspect and survey the West Parcel, to conduct soils, engineering, percolation, geological, hazardous and toxic materials and environmental and other tests on the West Parcel, to review zoning, building and other applicable ordinances, laws and regulations, to perform feasibility studies and to plan the Agency's further use, development and operation of the West Parcel (the foregoing collectively the "Inspections"). All Inspections shall be done at the Agency's sole cost and expense. Notwithstanding the foregoing, in no event shall the Agency conduct any Phase II testing or any other invasive testing or sampling of soil or materials of the West Parcel either as part of the Phase I audit or other inspections of the West Parcel without the prior written consent of the Developer, as determined in its sole discretion.

(b) The provisions of Section 3.2(a) shall also apply to any proposed inspection by the Developer of the TOD Replacement Property during the Inspection Period.

3.3 Procedure for Review of Title.

(a) After the Opening of Escrow, the Agency shall instruct Escrow Holder to order a preliminary report covering the West Parcel, together with legible copies of all documents referred to therein and a map or plat of the West Parcel with all determinable easements and other exceptions to title plotted thereon from _____ Title Company, at its offices at _____, California _____ ("Title Company") for delivery to the Agency and the Developer. Such preliminary report, documents and map or plat together with any supplements which may be issued by the Title Company from time to time are collectively referred to herein as the "PTR". In the event the Agency disapproves any matter affecting title in writing, the Agency shall notify the Developer in writing prior to the expiration of the Inspection Period of those matters which the Agency disapproves ("Title Defects"); provided, however, that the Agency need not identify the Redevelopment Plan, or the Notice of Redevelopment Agency as Title Defects. The Developer may elect (but shall have no obligation to do so) to cure or remove such Title Defects to the Agency's satisfaction within five (5) days after receiving the Agency's written disapproval notice (the "Developer's Response Period"). The Developer's failure to notify the Agency prior to the expiration of the Developer's Response Period shall be deemed the Developer's election not to cure or remove such Title Defects. If the Developer elects to remove or cure any Title Defects, the Developer shall have until the Close of Escrow to cure or remove such Title Defects (the "Cure Period"). If the Developer cannot cure or remove any or all of the Title Defects which the Developer has agreed in writing to cure or remove, the Developer shall notify the Agency of Developer's failure to cure such Title Defects. If the Developer notifies the Agency that the Developer elects not to cure or remove any Title Defects (or the Developer is deemed to have elected not to cure or remove any Title Defects), or if the Developer notifies the Agency that the Developer was unable to cure or remove any and all Title Defects which Developer agreed in writing to cure or remove within the Cure Period, the Agency may as its sole remedy within five (5) days after receipt of such notice from the Developer (or if the Developer does not provide such notice, within five (5)

days after Developer's Response Period) (but in any event, no later than the "Closing Date" (as hereinafter defined)), either (i) terminate this Agreement by written notice to the Developer (in which case, neither party shall have any further obligation hereunder and as for those obligations which expressly survive the termination of this Agreement), or (ii) elect in writing to waive such Title Defects. If Agency fails to terminate this Agreement within such period, then any Title Defects that Developer has failed to cure or remove or which the Developer has elected (or deemed to have elected) not to cure or remove shall be deemed approved by Developer.

(b) The provisions of Section 3.3(a) shall also apply to the review by the Developer of title conditions affecting the TOD Replacement Property; provided however, that the "Master Lease", as this term is defined in the TOD Lease, and the affect of the TOD Specific Plan on the TOD Replacement Property shall not be deemed to be "Title Defects" for the purposes of this Section 3.3(b).

3.4 Conditions to Right of Entry. In connection with any entry by Agency or Agency's agents, employees or contractors onto the West Parcel, Agency shall give Developer written notice two (2) business days prior to Agency's entry upon the West Parcel (which shall include the identity of the company or persons who will perform such testing and the proposed scope of such testing) and shall conduct such entry and any non-invasive inspections in connection therewith at reasonable times, and otherwise in a manner acceptable to the Developer. The Developer shall be permitted to have a representative present at the time of such inspections, and if the Developer elects to be present, Agency's right to enter upon the West Parcel shall be conditioned upon the Developer's representative being present. Agency shall maintain those portions of the West Parcel upon which the Inspections are performed in a safe condition at all times with respect to work performed thereon by or on behalf of Agency. Upon completion of Agency's Inspections, Agency shall return the West Parcel to its condition immediately prior to such Inspections. Agency will be responsible for and will promptly pay all costs incurred for on-site or other engineering, soil, geological, hazardous and toxic materials, environmental and other tests and similar costs with respect to the West Parcel, which are incurred or caused by Agency. Upon the request of the Agency, Agency shall promptly deliver to the Developer copies of any reports relating to any testing or other inspection of the West Parcel performed by Agency or its agents, employees or contractors. Agency shall keep all information pertaining to the West Parcel confidential and shall not contact or disclose such information to any person or any governmental or quasi-governmental authority with respect to the West Parcel without first obtaining the prior written consent of Developer thereto. The Agency, at the Developer's election, shall be entitled to have a representative on any phone or other contact made by Agency to any governmental or quasi-governmental authority and present at any meeting by Agency with any governmental or quasi-governmental authority. Agency shall maintain, and shall assure that its contractors maintain, public liability and property damage insurance in amounts and in form and substance adequate to insure against all liability of Agency and its agents, employees or contractors, arising out of any entry or inspections of the West Parcel pursuant to the provisions hereof, and Agency shall provide Developer with evidence of such insurance coverage upon request by the Developer. Agency shall indemnify and hold the Developer harmless from and against any costs, damages, liabilities, losses, expenses, liens or claims (including, without limitation, reasonable attorneys' fees) arising out of or relating to any entry on the West Parcel by Agency, its agents, employees or contractors in the course of performing the inspections, tests or inquiries provided for in this Agreement. The foregoing indemnity shall survive the Close of Escrow or earlier termination of this Agreement.

(b) The provisions of Section 3.4(a) shall apply to any proposed entry by the Developer onto the TOD Replacement Property for purposes of the Developer conducting any inspections of the TOD Replacement Property which the Developer may deem to be appropriate.

3.5 Title Conditions. At the Close of Escrow, the Developer shall convey title to the West Parcel to Agency by grant deed in the form of Exhibit "B" attached hereto (the "Grant Deed"), subject to all matters whether or not of record and all matters that would be disclosed by a physical inspection and/or an accurate survey thereof. It shall be a condition to Agency's obligations to close on the Closing Date that Title Company shall be willing to issue a standard coverage policy of title insurance (the "Title Policy") insuring title to the West Parcel vested in Agency, in the amount of the Purchase Price subject to (a) non-delinquent liens for real estate taxes and assessments, and (b) all other matters shown on the PTR (and any supplement thereto), including, without limitation, any exceptions to title disclosed by any survey and any boilerplate exceptions customarily imposed by title companies in the State of California; provided, however, that the Title Policy shall not be subject to (i) any Title Defects which the Developer has agreed to cure or remove in writing except as otherwise provided in Section 3.3(a), and (ii) any Title Defects which the Agency has agreed to cure or remove in writing except as otherwise provided in Section 3.3(b) with respect to the TOD Replacement Property. At Agency's option, and without any further right of approval past the Inspection Period, and provided the Close of Escrow is not delayed thereby, Agency may obtain, at Agency's sole cost and expense, an extended coverage policy of title insurance, in which case Agency shall obtain at its sole cost and expense and deliver to Title Company an ALTA survey. Notwithstanding the foregoing, the Developer shall not be required to provide any affidavit to the Title Company containing representations or warranties for the benefit of Title Company that are more unfavorable to the Developer than any corresponding representation or warranty to Agency set forth in this Agreement. No default shall be deemed to have occurred on the part of the Developer if the condition contained in this Section 3.5 has not been satisfied as of the Closing Date, and the Developer does not covenant to cause the foregoing condition to be satisfied on the Closing Date.

4. Escrow.

4.1 Closing Date; Close of Escrow. The "Closing Date" shall occur on _____, 2006. As used herein, the defined term "Close of Escrow" shall mean the date on which the Grant Deed is recorded in the Official Records of Los Angeles County, California.

4.2 Agency Deliveries. Agency shall deliver to Escrow the following:

4.2.1 Concurrently with the Opening of Escrow, this Agreement;

4.2.2 Concurrently with the Opening of Escrow, a copy of the TOD Lease executed by the Agency if the Developer has in its discretion elected to enter into such lease;

4.2.3 Two (2) business days prior to the Close of Escrow, the payment required by Section 2.4;

4.2.4 Such other documents as Title Company may reasonably require from Agency in order to issue the Title Policy.

4.3 Developer Deliveries. The Developer shall deliver to Escrow the following:

4.3.1 Concurrently with the Opening of Escrow, this Agreement;

4.3.2 Concurrently with the Opening of Escrow, a copy of the TOD Lease executed by the Developer if the Developer has in its discretion elected to enter into such lease;

4.3.3 Five (5) business days prior to the Close of Escrow, a duly executed and acknowledged Grant Deed;

4.3.4 Two (2) business days prior to the Close of Escrow, two (2) copies or counterparts of the Developer Lease Cancellation, duly executed on behalf of the Agency;

4.3.5 Two (2) business days prior to the Close of Escrow, a completed Certificate of Non Foreign Status, in substantially the form of Exhibit "E", duly executed by the Agency;

4.3.6 Two (2) business days prior to the Close of Escrow, an FTB Form 593-C or 593-W, duly executed by the Agency;

4.3.7 Such other documents as Title Company may require from the Developer in order to issue the Title Policy; provided, however, that the Developer shall not be required to provide any indemnity or affidavit which imposes liability on the Developer beyond the Developer's liability under this Agreement or as otherwise limited in Section 3.5.

4.4 Agency's Costs. Agency shall pay the following:

4.4.1 All of Escrow Holder's fee, costs and expenses;

4.4.2 The cost of recording the Grant Deed, including documentary and any other transfer taxes;

4.4.3 The cost of the Title Policy for the West Parcel;

4.4.4 The cost of any endorsements to the Title Policy for the West Parcel (including, standard and extended coverage);

4.4.5 The cost of any surveys and Inspections requested or performed by or on behalf of Agency; and

4.4.6 All other costs customarily borne by purchasers of real property in Los Angeles County.

4.4.7 Developer's Costs. The Developer shall not be responsible for the payment of any cost or expense associated with this Agreement or the Close of Escrow for the West Parcel but the Developer shall be responsible for and pay all costs of the survey and inspections which it may conduct on the TOD Replacement Property and the cost of a tenant's possessory interest to policy of title insurance insuring its interest in the TOD Replacement Property under the TOD Lease, if applicable.

4.5 Prorations and Other Allocations.

4.5.1 Real property taxes, assessments and any rents related to the West Parcel shall be prorated through Escrow between Agency and the Developer as of the Close of Escrow. Tax and assessment prorations shall be based on the latest available tax bill. If after the Close of Escrow, the Developer receives any further or supplemental tax bill relating to any period either before or after the Close of Escrow, the Developer shall promptly deliver a copy of such tax bill to the Agency, and not later than ten (10) days prior to the delinquency date shown on such tax bill, Agency and Developer shall deliver to the taxing authority the amount of such tax bill.

4.5.2 [RESERVED – NO TEXT]

4.5.3 Developer shall have utility meters read as of the Close of Escrow and shall be responsible for all utility services to the West Parcel both before and after the Close of Escrow.

4.5.4 Agency shall be responsible for payment of all maintenance services at the West Parcel (such as, janitorial services, guard services and similar services (to the extent applicable)) both before and after the Close of Escrow.

4.5.5 Agency shall cause its policies of insurance for the West Parcel to be maintained effective both before and after the Close of Escrow, and Agency shall be responsible for obtaining its own insurance. Escrow Holder shall have no responsibility for such insurance.

4.5.6 If applicable, the Agency shall have utility meters read for the TOD Replacement Property as of the Close of Escrow and shall be responsible for all utility services to the West Parcel before the Close of Escrow.

4.5.7 If applicable, the Agency shall be responsible for payment of all maintenance services for the TOD Replacement Property before the Close of Escrow.

4.5.8 The Agency shall cause its policy of insurance for the TOD Replacement Property to be maintained before the Close of Escrow, and the Developer shall be responsible for obtaining all insurance as required for the TOD Replacement Property as required under the TOD Lease upon the Close of Escrow and the delivery of possession of the TOD Replacement Property by the Agency to the Developer.

4.6 Duties of Escrow Holder.

4.6.1 At the Close of Escrow, Escrow Holder shall:

4.6.1.1 Record the Grant Deed in the Official Records of Los Angeles County, California, with the correct legal description of the West Parcel attached, with instructions to deliver the Grant Deed when recorded to Agency;

4.6.1.2 Charge Agency for the costs, fees, expenses and prorations provided in this Agreement;

4.6.1.3 Deliver to Agency the Title Policy for the West Parcel and the certificate of non foreign status and the FTB Form 593-W deposited by Agency;

4.6.1.4 Deliver the Purchase Price for the West Parcel to the Developer.

5. Casualty; Condemnation. Agency shall be bound to purchase the West Parcel for the full Purchase Price in accordance with the terms hereof, without regard to the occurrence or effect of any damage to the West Parcel or the destruction of any of the Improvements. In the event that at any time following the Opening of Escrow, the West Parcel may be acquired in whole or in part by a third party public agency, then the provisions of Section 5.2(d) of the Restated OPA shall apply.

6. Brokers and Finders. The Developer and Agency represent and warrant to each other that they know of no broker, agent, or finder entitled to any commission or fee regarding the purchase and sale of the West Parcel or the TOD Lease, and the Developer and Agency each agrees to indemnify the other for a breach of this representation and warranty, which indemnity representation and warranty shall survive the Close of Escrow or earlier termination of this Agreement.

7. Default.

7.1 Developer's Default. In the event that the Close of Escrow does not occur within the time required herein due to a breach of this Agreement and/or the Restated OPA by the Developer, Agency's sole and exclusive remedies shall be either (a) to terminate this Agreement, or (b) to pursue an action for specific performance of this Agreement.

7.2 AGENCY'S DEFAULT; LIQUIDATED DAMAGES. IN THE EVENT THAT THE ESCROW HEREUNDER SHALL FAIL TO CLOSE FOR ANY REASON OTHER THAN A DEFAULT ON THE PART OF THE DEVELOPER, THE AGENCY SHALL BE RELEASED FROM THE AGENCY'S OBLIGATION TO LEASE THE TOD REPLACEMENT PROPERTY TO THE DEVELOPER AND TO PURCHASE THE WEST PARCEL FROM THE DEVELOEPR UNDER THIS AGREEMENT AND/OR THE RESTATED OPA AND, BY INITIALING THIS PARAGRAPH 7.2 IN THE SPACE BELOW, THE PARTIES HEREBY EXPRESSLY AGREE THAT THE DEVELOPER, SHALL RECEIVE AND MAY RETAIN, AS THE DEVELOPER'S LIQUIDATED DAMAGES, THE SUM OF FIFTY THOUSAND DOLLARS ($50,000) FROM THE AGENCY. THE PARTIES EXPRESSLY AGREE THAT THE SUM OF $50,000 IS IN THE AGGREGATE NOT AN UNREASONABLE MEASURE OF DAMAGES WHICH WOULD BE SUFFERED BY THE DEVELOPER DUE TO THE FAILURE OF THE CLOSE OF ESCROW TO OCCUR. RETENTION OF SUCH FUNDS SHALL BE THE DEVELOPER'S SOLE AND EXCLUSIVE REMEDY FOR AGENCY'S FAILURE TO COMPLETE THE PURCHASE OF THE WEST PARCEL AND THE TOD LEASE; PROVIDED, HOWEVER, THAT THE DEVELOPER SHALL BE PERMITTED TO SEEK ADDITIONAL DAMAGES WITH RESPECT TO AGENCY'S INDEMNIFICATION OBLIGATIONS HEREUNDER AND THE PROVISION FOR ATTORNEYS' FEES UNDER SECTION 22. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE DEVELOPER WAIVES ALL RIGHTS TO OBTAIN AGENCY'S SPECIFIC PERFORMANCE OF THE RESTATED OPA OR THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ANY RIGHTS PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1680 AND 3384 THROUGH 3395.

_____ _____

Agency's Initials Developer's Initials

8. Warranties, Representations and Covenants.

8.1 Agency's Authority. The Agency hereby represents and warrants that (a) it is a community redevelopment agency, duly organized and existing and in good standing under the laws of the State of California, (b) the person executing this Agreement has full right and power and authority to execute and deliver this Agreement as provided herein, and (c) that either no consent of a third party is necessary or such consent has been obtained from Caltrans and/or Metro, as applicable, for the Agency to consummate the transactions contemplated herein.

8.2 Developer's Authority. Developer hereby represents and warrants that (a) it is a limited liability company duly organized and existing and in good standing under the laws of the State of California, (b) the person executing this Agreement has full right and power and authority to execute and deliver this Agreement as provided herein and that it has full right and power to sell the West Parcel to the Agency as provided herein, and (c) no consent of a third party is necessary for the Developer to consummate the transactions contemplated herein.

8.3 Bankruptcy; Insolvency. Agency and the Developer each hereby represents and warrants to the other party that such party has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by such party's creditors, (iii) suffered the appointment of a receiver to take possession of all, or substantially all, of such party's assets, (iv) suffered the attachment or other judicial seizure of all, or substantially all, of such party's assets, (v) admitted in writing its inability to pay its debts as they come due, or (vi) made an offer of settlement, extension or composition to its creditors generally.

8.4 Adjacent West Parcel. The Developer hereby represents and warrants to the Agency that the Developer owns the real property immediately adjacent and contiguous to the West Parcel as set forth in the plot map of the West Parcel attached hereto as part of Exhibit "A".

8.5 Leases. To Developer's actual knowledge, Developer represents and warrants that the following tenants (collectively, the "**Tenants**") are periodically paying rent to the Developer with respect to such tenants occupancy of the West Parcel _____.

Upon the Close of Escrow, Developer represents and warrants that the leases of each such tenant as identified in the preceding sentence, shall be appropriately modified or cancelled with respect to the West Parcel such that the occupancy of any occupants of the West Parcel shall cease and terminate upon the Close of Escrow.

8.6 Change in Condition of the West Parcel. During the period commencing on Agency's approval of its feasibility and title review in accordance with Section 3 through the Closing Date, the Developer shall not take any action inconsistent with Developer's current operation of the West Parcel, and the Developer shall not enter into any new leases or subleases or service contracts or amend any service contracts in any material manner without the Agency's prior written approval, as determined in the Agency's reasonable discretion.

9. Independent Investigation; AS-IS; Release.

9.1 Investigation of West Parcel. Agency acknowledges and agrees that it will be given during the Inspection Period, a full opportunity to inspect and investigate each and every aspect of the West Parcel, either independently or through agents of Agency's choosing, including, without limitation: (a) all matters relating to title to the West Parcel, together with all governmental and other legal requirements such as taxes, assessments, zoning, use permit requirements and building codes; (b) the physical condition and aspects of the West Parcel, including, without limitation, the interior, exterior, and the square footage within any of the Improvements and within each tenant space therein, the structure, seismic aspects, paving, utilities and all other physical and functional aspects of the West Parcel; (c) any easements and/or access rights affecting the West Parcel; (d) any leases and all matters in connection therewith, including, without limitation, the ability of the tenants to pay the rent and the economic viability of such tenants; (e) any service contracts and any other documents or agreements of material significance affecting the West Parcel; and (f) all other matters of material significance affecting the West Parcel. In addition, Agency's examination of the physical condition of the West Parcel shall include an examination for the presence or absence of "Hazardous Substances" (as hereinafter defined) which shall be performed or arranged by Agency at Agency's sole expense. For purposes of this Agreement, "Hazardous Substances" shall mean without limitation, all of the following:

(a) those substances included within the definitions of "hazardous substance," "hazardous waste," "hazardous material," "toxic substance," "solid waste," or "pollutant or contaminate" in CERCLA, RCRA, TSCA, HMTA, or under any other environmental law; and

(b) those substances listed in the United States Department of Transportation (DOT)Table [49 CFR 172.101], or by the EPA, or any successor agency, as hazardous substances [40 CFR Part 302]; and

(c) other substances, materials, and wastes that are, or become, regulated or classified as hazardous or toxic under federal, state, or local laws or regulations; and

(d) any material, waste, or substance that is:

(1) a petroleum or refined petroleum product,

(2) asbestos,

(3) polychlorinated biphenyl,

(4) designated as a hazardous substance pursuant to 33 USC Section 1321 or listed pursuant to 33 USC Section 1317,

(5) a flammable explosive.

Notwithstanding the foregoing, Agency shall not conduct any invasive testing at the West Parcel without the prior written consent of the Agency, which consent shall be granted or conditioned in the Agency's reasonable discretion.

9.1.1 Investigation of TOD Replacement Property. The provisions of Section 9.1 shall apply to the Developer's investigations of the TOD Replacement Property prior to the Close of Escrow. Accordingly, for the purposes of this Section 9.1.1, the word "Agency" as used in Section 9.1 means and refers to the "Developer" and the word "Developer" as used in Section 9.1 means and refers to the Agency and that the word "West Parcel" as used in Section 9.1 means and refers to the "TOD Replacement Property" for the purposes of this Section 9.1.1.

9.1.2 AS-IS. AGENCY SPECIFICALLY ACKNOWLEDGES AND AGREES THAT THE DEVELOPER IS SELLING AND AGENCY IS PURCHASING THE WEST PARCEL ON AN "AS IS, WITH ALL FAULTS" BASIS AND THAT AGENCY IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, MADE BY THE DEVELOPER, ITS AGENTS OR OTHERS AS TO ANY MATTER CONCERNING THE WEST PARCEL OR ANY OF THE DUE DILIGENCE MATERIALS, INCLUDING, WITHOUT LIMITATION: (I) THE QUALITY, NATURE AND ADEQUACY OF THE PHYSICAL CONDITION OF THE WEST PARCEL, INCLUDING, BUT NOT LIMITED TO, THE STRUCTURAL AND SEISMIC ASPECTS OF ANY STRUCTURE ON THE WEST PARCEL, (II) THE QUALITY, NATURE, ADEQUACY, AND PHYSICAL CONDITION OF THE SOILS, GEOLOGY AND ANY GROUNDWATER ON OR IN THE VICINITY OF THE WEST PARCEL, (III) THE EXISTENCE, QUALITY, NATURE, ADEQUACY AND PHYSICAL CONDITION OF UTILITIES SERVING THE WEST PARCEL, (IV) THE DEVELOPMENT POTENTIAL OF THE WEST PARCEL AND THE WEST PARCEL'S USE, HABITABILITY, MERCHANTABILITY, OR THE FITNESS, SUITABILITY, VALUE OR ADEQUACY OF THE WEST PARCEL FOR ANY PARTICULAR PURPOSE, (V) THE ZONING OR OTHER LEGAL STATUS OF THE WEST PARCEL OR ANY OTHER PUBLIC OR PRIVATE RESTRICTIONS AFFECTING THE WEST PARCEL, (VI) COMPLIANCE OF THE WEST PARCEL OR ITS OPERATION WITH ANY APPLICABLE CODES, LAWS, REGULATIONS, STATUTES, ORDINANCES, COVENANTS, CONDITIONS AND/OR RESTRICTIONS OF ANY GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY OR OF ANY OTHER PERSON OR ENTITY, (VII) THE PRESENCE OF HAZARDOUS MATERIALS IN, ON, UNDER OR ABOUT THE WEST PARCEL OR THE ADJOINING OR NEIGHBORING PROPERTIES, (VIII) THE QUALITY OF ANY LABOR AND MATERIALS USED TO CONSTRUCT ANY IMPROVEMENTS, (IX) THE CONDITION OF TITLE TO THE WEST PARCEL, AND (X) THE ECONOMICS OF THE OPERATION OF THE WEST PARCEL.

9.2 Release. Without limiting the above, Agency, on behalf of itself and its successors and assigns, waives its right to recover from, and forever releases and discharges the Developer and any entity related to the Developer and the officers, employees and agents of each of them from any and all demands, claims, legal or administrative proceedings, losses, liabilities, damages, penalties, fines, liens, judgments, costs or expenses whatsoever, including, without limitation, attorneys' fees and costs, whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with (i) the West Parcel, including, without limitation, declarations, restrictions, grants of easements, parking agreements and/or maintenance agreements, (ii) the physical condition of the West Parcel, including, without limitation, all structural and seismic elements, the environmental condition of the West Parcel, any Hazardous Substances in, on, under or about the West Parcel, or (iii) any law or regulation applicable to the West Parcel, including, without limitation, any environmental law and/or any other federal, state or local law (collectively, the "Released Claims"); provided however that the Release Claims shall exclude any error, act or

omission of the Developer which is not related to the West Parcel. Agency represents, warrants and agrees that: (i) it understands that it is releasing potentially unknown claims; (ii) such releases are fairly and knowingly made; (iii) it is aware that it has limited knowledge with respect to certain of the Released Claims, and (iv) it specifically allocates the risk of any mistake by any party in entering into this Agreement to the party or parties who later claims it was mistaken. Agency hereby waives any and all rights which it may have under or pursuant to the provisions of Section 1542 of the Civil Code of the State of California, and any rights it may have under any other similar statute, regulation or common law of any state or of the United States. Section 1542 of the Civil Code of the State of California provides:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASES, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

Agency understands fully the statutory language of Section 1542 of the Civil Code of the State of California and, having been so apprised, by placing its initials in the space provided below, Agency nevertheless releases the Developer from all known or unknown Released Claims, as provided above.

_____
Agency's Initials

9.3 Survival. The provisions of this Section 9 shall survive the Close of Escrow or earlier termination of this Agreement.

10. Possession.

(a) Possession of the West Parcel shall be delivered to Agency at the Close of Escrow, subject to the possessory interests of third parties as created by the Agency.

(b) Possession of the TOD Replacement Property shall be delivered by the Agency to the Developer under the terms of the TOD Lease following the Close of Escrow.

11. Time is of the Essence. Time is of the essence in all phases of this Agreement and the Escrow referred to herein.

12. Notices. Any and all notices, demands or other communications required or desired to be given hereunder by any party shall be in writing and shall be validly given or made to another party (i) if served personally; (ii) if deposited in the United States mail, certified or registered, postage prepaid, return receipt requested; (iii) if delivered by Federal Express or other overnight package delivery service; or (iv) if delivered by facsimile transmission be addressed to the party to whom such notice, demand or other communication is to be given, provided that concurrently with such facsimile transmission a copy is delivered by one of the methods authorized in items (i), (ii) or (iii); in each case as follows:

To Agency:

El Monte Community Redevelopment Agency
11333 Valley Boulevard
El Monte, California 91731
Facsimile: (626) 580-2197
Telephone: (626) 444-2183
Attn: Eugene Moy, Redevelopment Director

To Developer:

Gunderson Automotive Group, LLC
_____
_____
_____
Facsimile: _____
Telephone: _____

To Escrow Holder:

_____ Title Company
_____
_____
_____
Facsimile: _____
Telephone: _____

or to any other address designated by the Agency, the Developer or Escrow Holder as provided above. Any such notice shall be deemed effective only upon receipt.

In the event Agency or the Developer utilizes "facsimile" transmitted signed documents, Escrow Holder may rely upon such documents as if they bore original signatures. Documents necessary for recording, however, must bear original signatures.

13. Applicable Law and Severability. This document shall, in all respects, be governed by the laws of the State of California applicable to agreements executed and to be wholly performed within the State of California. Nothing contained herein shall be construed so as to require the commission of any act contrary to law, and wherever there is any conflict between any provision contained herein and any present or future statute, law, ordinance or regulation contrary to which the parties have no legal right to contract, the latter shall prevail but the provision of this document which is affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law.

14. Successors and Assigns. Subject to the provisions of this Section, all of the terms and provisions contained herein shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns. Neither party shall be permitted to assign any direct or indirect interest in this Agreement to any person without obtaining the prior written consent of the other party, as determined in such other party's sole discretion. In connection with any such assignment pursuant to the terms hereof, the assignee shall reconfirm, in a written instrument

mutually acceptable to the Developer and the Agency and delivered to the respective parties prior to the effective date of such assignment, that all of the terms and provisions of this Agreement including, without limitation, Agency's representations, warranties and releases herein, shall apply to such assignee.

15. Exhibits. All exhibits attached hereto and referred to herein are hereby incorporated herein as though set forth in full.

16. Separate Counterparts. This Agreement may be executed in two or more separate counterparts, each of which, when so executed, shall be deemed to be an original. Such counterparts shall, together, constitute and be one and the same instrument.

17. Entire Agreement As Relates to the West Parcel. This Agreement constitutes the entire understanding and agreement of the parties as relates to the West Parcel and any and all prior agreements with respect to the disposition of the West Parcel under the Restated OPA following the Opening of Escrow .

18. Captions. The captions appearing at the commencement of the paragraphs hereof are descriptive only and for convenience in reference. Should there be any conflict between any such caption and the paragraph at the head of which it appears, the paragraph and not such caption shall control and govern in the construction of this Agreement.

19. Construction. For all purposes of interpretation or construction of this Agreement, the singular shall include the plural and the plural shall include the singular.

20. Waiver. The waiver by any party to this Agreement of a breach of any provision of this Agreement shall not be deemed a continuing waiver or a waiver of any subsequent breach whether of the same or another provision of this Agreement.

21. No Obligation to Third Parties. Execution and delivery of this Agreement shall not be deemed to confer any rights upon, directly, indirectly or by way of subrogation, nor obligate either of the parties hereto to, any person or entity other than each other and their respective affiliates.

22. Attorney's Fees. In the event of litigation between the parties arising out of this Agreement or the performance hereof, the Court in such litigation shall award reasonable attorney's fees and costs to the prevailing party. Such award shall not be computed in accordance with any Court schedule but shall be such as to fully reimburse reasonable attorney's fees actually incurred in good faith, regardless of the size of the judgment, it being the intention of the parties to fully compensate for all reasonable attorney's fees and costs paid or incurred in good faith.

23. Time. All periods of time referred to in this Agreement shall include all Saturdays, Sundays and California state or national holidays unless the reference is to business days, in which event each Friday, weekends and holidays shall be excluded in the computation of time; provided that, if the last date to perform any act or give any notice with respect to this Agreement shall fall on a Friday, Saturday, Sunday or California state or national holiday, such act or notice shall be deemed to have been timely performed or given on the next succeeding day which is not a Friday, Saturday, Sunday or California state or national holiday.

24. Disclaimers.

24.1 Arm's Length Transaction. This Agreement has been negotiated at arm's length and between persons (or their representatives) sophisticated and knowledgeable in the matters dealt with in this Agreement. Accordingly, any rule of law (including California Civil Code 1654 and any successor statute) or legal decision that would require interpretation of any ambiguities against the party that has drafted it (or whose representative prepared it) is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purpose of the parties and this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement for Disposition of Real West Parcel and Escrow Instructions as of the day and year first above written.

AGENCY

El Monte Community Redevelopment Agency, a public body corporate and politic

By:_____
Name:_____
Title: _____

Date of Execution: _____, 2006

APPROVED AS TO FORM:

_____
Agency Counsel

DEVELOPER

Gunderson Automotive Group, LLC, a California limited liability company

By_____
Managing Member

Date of Execution: _____, 2006

ACCEPTED AND AGREED AS TO "ESCROW HOLDER"

_____ TITLE COMPANY

By:_____
_____
Print Name and Title

Date of Execution: _____, 2006

LIST OF EXHIBITS

Exhibit "A"	-	Description of West Parcel and Plot Map
Exhibit"B"	-	Grant Deed (West Parcel)
Exhibit"C"	-	[RESERVED – NO EXHIBIT]
Exhibit"D"	-	Form of TOD Replacement Property Lease
Exhibit"E"	-	Certificate of Non Foreign Status

EXHIBIT A

DESCRIPTION OF PROPERTY AND PLOT MAP

EXHIBIT B

GRANT DEED

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL THIS DEED
AND TAX STATEMENTS TO:

Gunderson Automotive Group
_____
_____
_____

(Above Space for Recorder's Use Only)

EL MONTE COMMUNITY REDEVELOPMENT AGENCY
GRANT DEED

TRANSFER TAX NOT A
MATTER OF PUBLIC RECORD

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the El Monte Community Redevelopment Agency, a public body corporate and politic, a California limited liability company ("**Grantor**"), hereby grants to Gunderson Automotive Group, LLC, a California limited liability company ("**Grantee**"), that certain real property ("**West Parcel**") located in the County of Los Angeles, State of California, and more particularly described in Exhibit "A", attached to and incorporated into this Grant Deed by this reference, SUBJECT TO (a) real property taxes and assessments not delinquent, (b) matters of title of record (including, without limitation, covenants, conditions, restrictions, easements, rights, rights of way, liens and encumbrances), (c) matters of title not of record (including, without limitation, those which are apparent or ascertainable by an inspection or survey of the West Parcel), and (d) matters affecting the condition of title to the West Parcel suffered or created by or with the written consent of Grantee. The implied covenants set forth in Section 1113 of the California Civil Code are expressly disclaimed by Grantor and restrained.

[Signature on following page]

IN WITNESS WHEREOF the Grantor has executed this Grant Deed as of the date set forth below.

Dated: _____, 2006

GRANTOR

El Monte Community Redevelopment Agency, a public body corporate and politic

By:_____
Name: _____
Title: _____

ACCEPTANCE OF DELIVER OF PROPERTY

Gunderson Automotive Group, LLC, the Grantee in the within instrument, hereby acknowledges its acceptance of the delivery of the West Parcel form the Grantor.

GRANTEE

Gunderson Automotive Group, LLC, a California limited liability company

By:_____
Name: _____
Title: _____

EXHIBIT "A"

LEGAL DESCRIPTION

All that certain real property located in the County of Los Angeles, State of California, and more particularly described as follows:

STATE OF CALIFORNIA

SS.

COUNTY OF LOS ANGELES

On _____ before me _____,
personally appeared _____,
personally known to me (or 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.

WITNESS my hand and official seal. [Seal]

Signature_____

My Commission Expires: _____

EXHIBIT C

[RESERVED – NO EXHIBIT]

EXHIBIT D

FORM OF TOD REPLACEMENT PROPERTY LEASE

EXHIBIT E

CERTIFICATION OF NON FOREIGN STATUS

Internal Revenue Code Section 1445

Section 1445 of the Internal Revenue Code provides that transferee of a United States real property interest must withhold the tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon the disposition of a United States real property interest by the El Monte Community Redevelopment Agency, a public body corporate and politic ("Agency"), and with the knowledge that the transferee will rely upon the following statements, the undersigned hereby certifies the following on behalf of Developer.

1. Agency is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);

2. Agency's United States employer identification number is _____; and

3. The Agency's office address is _____.

The Agency understands that this Certification may be disclosed to the Internal Revenue by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury, I declare that I have examined this Certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of the Developer.

Dated: _____

"AGENCY"

El Monte Community Redevelopment Agency,
a public body corporate and politic

By:_____
Name: _____
Title: _____

Exhibit "I"

Notice of Redevelopment Agreement

Exhibit "J"

General Plan of Operation of the Automobile Dealership on the New Site.

Exhibit "K"

Form of Agency Notice of Exercise of West Parcel Option

Exhibit "L"

Form of TOD Lease

GROUND LEASE FOR
TOD REPLACEMENT PROPERTY
(Downtown El Monte Redevelopment Project)

THIS GROUND LEASE ("Lease"), dated for reference purposes only as of _____, ____ (the "Execution Date"), is made by and between the El Monte Community Redevelopment Agency, ("Landlord"), and _____, ("Tenant").

ARTICLE 1
PREMISES, OF TOD REPLACEMENT PROPERTY

1.1 Premises. In consideration of and subject to each and all of the covenants, terms and conditions herein set forth, Landlord hereby leases to Tenant and Tenant hereby hires from Landlord the Premises. As used herein, the word "Premises" means and refers to the "TOD Replacement Property" as this term is defined in the Restated Owner Participation Agreement, dated as of July 1, 2006, by and between the Tenant and the Landlord. A legal description of the Premises is attached to this Lease as Exhibit "A-1".

1.2 Agreement for Purchase of Real Property and Escrow Instructions (West Parcel). The Tenant and the Landlord are also parties to that certain agreement entitled "Agreement for Purchase of Real Property and Escrow Instructions (West Parcel)," dated as of _____, ____. The Tenant has conducted certain investigations of the Premises prior to taking possession of the Premises as authorized under the Agreement for Purchase of Real Property and Escrow Instructions (West Parcel). This Lease is referred to in the Agreement for Purchase of Real Property (West Parcel) as the "TOD Lease".

1.3 Ground Lease. The interest of Landlord in the Premises is that of a ground lessee pursuant to that certain lease dated _____ by and between Caltrans/Metro. as ground lessor ("Master Landlord") and Landlord, as ground lessee. This Lease is and at all times shall be subordinate to the Master Lease. No later than ten (10) business days after the Execution Date, Landlord shall provide Tenant with nondisturbance agreements in favor of and acceptable to Tenant from the Master Landlord (and from any holders of any mortgages or deeds of trust which now affect the Premises), pursuant to which Master Landlord (or such holders of any mortgages or deeds of trust, as the case may be) shall agree, in the event of termination of the Master Lease, that Tenant's quiet enjoyment of the Premises will not be disturbed so long as Tenant pays Rent, attorns to Master Landlord (or such holder), and observes and performs all of the obligations under this Lease to be observed and performed by Tenant. Failure to provide Tenant with all such nondisturbance agreements by such date shall entitle Tenant to terminate this Lease by giving Landlord written notice of Tenant's intention to terminate this Lease within twenty (20) days after the date the nondisturbance agreements were due and, if Landlord fails to deliver all such nondisturbance agreements within ten (10) days after receipt of such notice from Tenant, this Lease shall terminate. Upon such termination, all rights and obligations of the parties, except those that expressly survive termination, shall terminate and be of no further force or effect. Except as otherwise specifically set forth in this Lease, as to the Premises all of the terms, provisions, covenants, and conditions set forth in the Master Lease shall constitute the

terms, provisions, covenants, and conditions of this Lease; provided, however, that unless the context unambiguously otherwise requires, whatever the word "lessor" is used in the Master Lease, it shall be deemed to refer to Landlord hereunder, and wherever the word "lessee" is used in the Master Lease, it shall be deemed to refer to Tenant hereunder. Except as otherwise specifically limited, modified, or supplemented by this Lease, and specifically limited to the Premises only, all of the covenants, agreements, obligations, and benefits of the "tenant/lessee" under the Master Lease shall constitute the covenants, agreements, obligations, and benefits of the Tenant hereunder, and all of the covenants, agreements, obligations, and benefits of the "landlord/lessor" under the Master Lease shall constitute the rights and benefits of the Landlord hereunder, except that Tenant shall not be responsible for any obligations or duties that were required to be paid or performed by the Landlord as lessee under the Master Lease prior to the term of this Lease.

ARTICLE 2
TERM

2.1 Term. Unless sooner terminated or extended as provided herein, the term of this Lease shall be for the period of fifty (50) years and shall commence on the close of West Parcel Escrow (the "Commencement Date")

Landlord shall deliver possession of the Premises to Tenant when the West Parcel Escrow is closed. If Landlord is delayed in the delivery of possession of the Premises to Tenant for any reason other than Tenant-caused delays (in which event there shall be no change in the Commencement Date), the "Commencement Date" shall be adjusted, accordingly. Notwithstanding anything in this Lease expressed or implied to the contrary, the Building Description Exhibit attached as Exhibit "B" to this Lease shall be prepared by the Tenant as provided in the Restated OPA, and shall be in full force and effect as of the Commitment Date of this Lease.

2.2 Landlord Demolition Work. Landlord shall at its sole cost and expense, promptly and diligently perform and complete all demolition work on the Premises (including the removal of any existing structures or foundations or footings to a depth below existing surface grades of five (5) feet) and the removal of demolition debris from the Premises within one hundred twenty (120) days following the Commencement Date. Such demolition work shall not include any grading or compaction of the soils on the Premises. Therefore, any construction and/or installation of Tenant's Improvements described in the Building Description, or other work on the Premises that is to be performed by Tenant shall be the sole responsibility of Tenant.

2.3 Landlord's Failure to Complete. Notwithstanding anything to the contrary herein, should Landlord fail to complete the demolition work on the Premises substantially in accordance with the terms of Paragraph 2.2, this Lease shall then be voidable, at the option of Tenant, upon thirty (30) days written notice to Landlord. In the event of any such termination, neither party shall have any liability or obligation whatsoever to the other, except for any obligations hereunder that expressly survive termination.

2.4 Opening of Tenant's Premises. Promptly after the completion of the Landlord work under Section 2.2 delivery of possession of the Premises, Tenant agrees to, at its sole cost and expense, (i) perform all of Tenant's work set forth in Exhibit "B"; and (ii) open the Premises for business as an automobile retail sales and service facility compatible with the businesses conducted on the Adjacent Tenant Property. If Tenant fails to comply with its obligations under this Paragraph 2.4, Landlord may, in addition to and without limiting any other remedies available at law or in equity, terminate this lease.

2.5 Lease Year. The term "Lease Year" shall refer to each successive twelve (12) month period following the Commencement Date.

ARTICLE 3
FIXED RENT

3.1 Payment. From and after the Commencement Date during the Term of this Lease, Tenant shall pay to Landlord the fixed rent in the amount of _____ Dollars ($_____), and adjusted pursuant to Paragraph 3.2, below (the "Fixed Rent"), on the first day of each month, in advance. If the Commencement Date occurs on a day other than the first day of a month, then the Fixed Rent for the fraction of the month starting with the Commencement Date shall be paid on the Commencement Date, prorated on the basis of the actual number of days in such month. If the term hereof ends on a day other than the last day of a month, then the Fixed Rent for the month during which the expiration occurs shall be prorated on the basis of the actual number of days in such month. In addition to the Fixed Rent, Tenant agrees to pay: (i) all taxes, assessments, rates, duties and other charges of every kind levied, charged, imposed or assessed by or under any present or future law or authority for, upon or against the Premises, or any part thereof, commence with the taxes, assessments, rates, duties and other charges assed against the Premises during the Term; (ii) pay for and perform all maintenance of the Premises; (iii) arrange for and pay for all utility services to the Premises accruing with respect to Tenant's occupancy of the Premises; (iv) pay for the cost of insurance for the Premises in accordance with Article __; (v) pay for all of Tenant's work set forth in Exhibit "B" and any additional work of Tenant on the Premises as provided in Article 10. The Fixed Rent, together with the other monetary obligations described in (i) through (v) of the preceding sentence due Landlord under the Lease are hereinafter referred to collectively as the "Rent." The Rent shall be payable to Landlord, in lawful money of the United States of America, in currently available funds at the address for Landlord (or to such other person or at such other place as Landlord may from time to time designate writing), without notice, demand, offset, deduction or setoff. In no event shall the Rent be reduced by any other provision of this Lease for sums payable by Landlord.

3.2 Cost of Living Adjustment. The Fixed Rent payable for each Lease Year shall be increased every five (5) years during the term of this Lease, by the product of (a) 2.50, multiplied by (b) the percentage increases, if any, in the Consumer Price Index-All Urban Consumers (Los Angeles-Anaheim-Riverside Area; Base: 1982-84=100) (the "Index") as published by the United States Department of Labor, Bureau of Labor Statistics (the "Bureau"). Notwithstanding the foregoing, with respect to each five (5) year period of this Lease term, in no event shall the percentage increase in the Fixed Rent exceed a cumulative increase of fifteen percent (15%) from the prior five (5) year period. For example, the Fixed Rent for the second five (5) years

shall not exceed $_____ per year. The Index for the calendar month preceding the first calendar month of each Lease Year in which an adjustment in the Fixed Rent is required, as aforesaid, shall be compared with the Index for the calendar month sixty (60) months earlier, and Fixed Rent shall be increased in accordance with the percentage increase, if any, between such two (2) monthly indexes. In no event shall Fixed Rent be decreased. Landlord shall calculate and give Tenant written notice of any such increase in Fixed Rent, and the same shall be due and payable by Tenant, retroactively, as of the first day of the Lease Year in which the adjustment went into effect. Pending the calculation of the increase of Fixed Rent as provided herein, Tenant shall continue to pay the same Fixed Rent which it had been paying during the immediately preceding period and shall promptly pay the deficiencies, if any, upon demand therefor by Landlord. No delay or failure by Landlord to enforce this provision or any part thereof as to Tenant, or to enforce similar or dissimilar provisions in other leases in use as to any other tenants in the Shopping Center, shall be deemed to be a waiver hereof, or prevent any subsequent or other enforcement hereof. If the Bureau shall change the base reference period from 1982-84=100 or otherwise changes its method of computing the Index, the successor Index so published shall be used by applying an appropriate conversion formula or table as may be supplied by the Bureau. If the region covered by the Index is changed, the renamed local Index covering the region in which the Premises is located shall be used. If the publication frequency is changed, so that a monthly Index is not available to make a cost of living adjustment in the Fixed Rent as specified herein, the increase shall be based on the percentage difference between the Index for the closest preceding calendar month prior to the Commencement Date for which a monthly Index figure was available. Should the Bureau discontinue the publication of the Index, or publish the same less frequently, or alter the same in some other manner, Landlord, in its reasonable discretion, shall adopt a substitute Index or procedure which reflects and monitors consumer prices. Tenant shall promptly pay the deficiencies, if any, upon demand therefor by Landlord.

ARTICLE 4
[RESERVED – NO TEXT]

ARTICLE 5
[RESERVED – NO TEXT]

ARTICLE 6
SECURITY DEPOSIT

Tenant shall deposit with Landlord two (2) month's rent (the "Deposit") as security for the full and faithful performance of each and every obligation of Tenant pursuant to the provisions of this Lease to be performed by Tenant. In each instance when the Fixed Rent increases during the Lease Term, Tenant shall, within five (5) business days after written demand therefor, deposit with Landlord an additional sum so that the amount of the Deposit held by Landlord shall at all times be the equivalent of one month's rent. If Tenant defaults with respect to any provision of this Lease, including, without limitation, the provisions relating to the payment of Rent, the reimbursement of all costs incurred by Landlord in the enforcement of its remedies under this Lease, including, without limitation, attorneys' fees and expenses, the repair of damage to the Premises upon termination of this Lease, Landlord may, to the full extent

permitted by law, use, apply or retain all or any portion of the Deposit for payment of any Rent or other sum in default, for reimbursement of such costs and expenses, the repair of such damage, the cost of such cleaning or the payment of any other amount which Landlord for any other loss or damage which Landlord may suffer by reason of Tenant's default or to compensate Landlord for any other loss or damage which Landlord may suffer by reason of Tenant's default or to compensate Landlord for any other loss or damage which Landlord may suffer by reason of Tenant's default. If any portion of the Deposit is so used or applied, Tenant shall, within five (5) business days after written demand therefor, deposit cash with Landlord in an amount sufficient to restore the Deposit to its original amount, and Tenant's failure to do so shall constitute a material breach of this Lease. Landlord's obligations with respect to the Deposit are those of a debtor and not a trustee. Landlord shall not be required to keep the Deposit separate from its general funds, and Tenant shall not be entitled to interest on the Deposit. If Tenant shall fully and faithfully perform each and every provision of this Lease to be performed by it, the Deposit or any balance thereof shall be returned to Tenant (or, at Landlord's option, to the last assignee of Tenant's interest hereunder) within a reasonable period following the expiration of the Lease term. The Deposit shall not constitute advance rent or liquidated damages, nor shall Landlord's application of the Deposit in any way limit or restrict the remedies which would otherwise be available to Landlord.

ARTICLE 7
UTILITIES AND SECURITY SERVICES

7.1 Installation. Tenant shall install and use the utilities (including water, gas, electricity, sewers and telephone supplied to or serving the Premises) in accordance with the rules and regulations of the public utility company or the governmental agency supplying the same. Landlord shall not be responsible for providing any meters or other devices for the measurement of utilities supplied to the Premises. Tenant shall make application for and arrange for the installation of all meters or other devices.

7.2 Utilities. Tenant, at Tenant's sole cost and expense, shall pay directly, prior to delinquency, all charges, duties and rates of every description for water, gas, telephone and trash removal services, and all other services and utilities supplied to the Premises together with any taxes or surcharges thereon during the entire term of this Lease. Landlord shall not be liable for, and Tenant shall not be entitled to, any abatement or reduction of Rent by reason of any interruption or reduction in the amount or level of any of the foregoing when such failure or reduction is caused or mandated by accident, breakage, repairs, strikes, lockouts or other labor disturbances or labor disputes of any character, or any law, regulation, rule, ordinance or court order limiting or restricting the availability, use or consumption of utility items, or by any other cause, similar or dissimilar. Landlord shall not be liable under any circumstances for any loss of or damage or injury (including death) to the person, property, or business of Tenant, any "Tenant Agent" (as that term is defined in Paragraph 28(h)) or any other person, however occurring, through or in connection with or incidental to the interruption or discontinuance of any of the utilities or services described in this Article 7.

ARTICLE 8
USE OF PREMISES, COMPLIANCE WITH LAW

8.1 Use. Tenant shall use and occupy the Premises, as set forth in Paragraph 8.2 herein, without limiting the above, Tenant shall not use or occupy the Premises in violation of law, and shall immediately discontinue any use of the Premises which is declared by any governmental authority having jurisdiction to be a violation of law or regulation. Landlord's failure to object to such use shall not constitute a consent to a use which constitutes such a violation. Tenant, at its sole cost and expense, shall comply, promptly, with any directive of any governmental authority having jurisdiction which shall impose any duty upon Tenant or Landlord with respect to the Premises, or the use or occupation thereof.

8.2 Obligation to Open or Operate. Tenant shall construct the improvements described in the Building Description (Exhibit "B") and shall cause the Premises, as improved to open for business in accordance with the terms and conditions of this Lease, and (except for reasonable periods of continuous and diligent remodeling or repairs, or "events of delay" beyond the reasonable control of Tenant described in Paragraph 28(i)) shall during the term of this Lease keep the Premises open for business on such days and during such hours as are reasonable and customary for Tenant's operations from time to time.

8.3 Landlord's Recapture Rights. Landlord shall have the option to terminate this Lease and recapture the Premises by giving Tenant written notice thereof following the date of one of the following events:

(a) The failure of Tenant to keep the Premises open for business for any ninety (90) consecutive-day period, excluding any closures for continuous and diligent rebuilding, restoration, additions, remodeling, or repairs, or events of delay as described in Section 28(i) below; or

(b) One hundred eighty (180) days following commencement of demolition by the Tenant of the improvements described in Exhibit "B" and failure to diligently and continuously rebuild, replace or use the Premises for such automobile retail sales and service retail purposes.

In the event Landlord elects to terminate the Lease, such termination shall be effective on the date sixty (60) days from the date of Tenant's receipt of Landlord's notice of termination, unless within such sixty (60) days, Tenant informs Landlord in writing that Tenant intends to rebuild or reopen the Premises for business, and diligently commences to rebuild and does in fact reopen, the Premises for business. Upon Tenant's surrender of the Premises, Landlord shall pay Tenant an amount equal to its unamortized cost of the improvements to the Premises. Upon termination, this Lease (except for any obligations occurring prior to such termination or that expressly survive termination or, if requested by Landlord, Tenant's obligations to remove improvements, and restore the Premises) will be of no further force or effect, and Landlord and Tenant shall be released from all future obligations under this Lease.

ARTICLE 9
ACCEPTANCE OF PREMISES

9.1 As-Is-Acceptance. Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Premises or any portion or aspect thereof, or with respect to the suitability or fitness thereof for the conduct of Tenant's business or for any other purpose. There have been no representations or warranties made by or on behalf of Landlord in connection with this Lease or as to any matters concerning the Premises, including but not limited to the condition, acreage, topography, climate, water, water rights, utilities, present or future zoning, soil, subsoil, any "Hazardous Substance" (as defined in Article 40), the purposes for which the Premises is suited, drainage, access to public roads, or proposed routes of roads or extensions thereof. The Premises is being leased to Tenant "as is," "where is," and "with all faults." Tenant represents to Landlord that Tenant is relying solely on its own independent investigation of the Premises and has had sufficient time and opportunity to make such independent investigations, inquiries, and evaluations as Tenant deems necessary or appropriate to decide for itself the degree and scope of risk which exists in connection with this Lease. There shall be a conclusive presumption that the Premises were in good and satisfactory condition on the date Landlord delivered possession of the Premises to Tenant.

9.2 Governmental Approval Period. Commencing on the Execution Date, Tenant shall have one hundred and eighty (180) days within which at its sole cost, expense or risk, to obtain any and all necessary governmental approvals and permits, including but not limited to those relating to planning, zoning, development, building, fire protection, roads, signage and utilities, as may be required by those governmental authorities having jurisdiction in order for Tenant to use the Premises for the construction and operation of Tenant's proposed Building ("Governmental Approvals"). Such 180-day period, which may be extended by Landlord in its discretion for an additional ninety (90) days, is hereinafter referred to as the "Approval Period"; the last day of the Approval Period is referred to as the "Approval Termination Date". During the Approval Period, all Governmental Approvals desired by Tenant to construct its Building and operate its business shall be obtained, issued, transferred and delivered to Tenant.

(a) Tenant shall, in good faith, diligently and expeditiously pursue obtaining of the Governmental Approvals and shall keep Landlord informed of Tenant's efforts in connection therewith.

(b) In the event that any governmental agency having jurisdiction thereof shall fail to approve the "plans and specifications" for the improvements described in Exhibit "B" or shall fail to issue any Governmental Approvals which shall be required in connection with the construction and/or occupancy of the Premises within the Approval Period, either party shall have the right, within five (5) business days after the Approval Termination Date, to terminate this lease by giving written notice thereof to the other party, in which event this Lease shall terminate and the parties shall have no further obligations to each other with respect to the Premises or this Lease (except those that expressly survive termination). In the event that either party shall fail to terminate this Lease within the time and manner provided for herein, the Lease shall remain in full force and effect. Notwithstanding anything to the contrary contained in this Lease, if any governmental agency, as a condition to granting any Governmental Approval, requires any change in the Plans and Specifications Tenant determines, in its reasonable discretion is unacceptable, Tenant shall have the right to terminate this Lease by giving written

notice thereof to the Landlord promptly upon receipt of such information from said governmental agency, and this Lease shall immediately terminate and be of no further force or effect, in which event, the parties shall have no further obligations to each other with regard to this Lease and/or the Premises (except those that expressly survive termination). Notwithstanding the above requirement of prompt notice, Landlord and Tenant shall each have a reasonable period of time (not to exceed thirty (30) days) after receipt of any such information from such governmental agency to negotiate with such agency over any such required change before having to give notice of termination to the other party.

(c) The failure of Tenant to timely deliver notice of termination to Landlord on or before the Approval Termination Date shall be deemed to constitute Tenant's satisfaction or waiver of this contingency and a waiver of Tenant's right to terminate this Lease prior to the Commencement Date.

9.3 Landlord Representations. Landlord represents and warrants that, except as otherwise disclosed to Tenant in writing, as of the date of this Lease:

(a) Landlord has full and lawful right and authority to execute this Lease and to deliver it to Tenant;

(b) To Landlord's actual knowledge (limited to the actual knowledge of the Executive Director of the Agency and with no duty to inquire), there are no pending or threatened actions, suits, arbitrations, claims, or proceedings, at law or in equity, affecting the Premises;

(c) To Landlord's actual knowledge (limited to the actual knowledge of the Executive Director of the Agency and with no duty to inquire), the Premises is in compliance with all applicable laws, codes, and ordinances; and

(d) Landlord is not in default under the Master Lease.

ARTICLE 10
ALTERATIONS

10.1 Alterations. Except as provided for in Exhibit "B," Tenant shall make no other alterations, additions or improvements ("Tenant Changes") to the Premises affecting the outside appearance of the Premises without Landlord's prior written consent which shall not unreasonably be withheld or delayed. Whenever Landlord's consent is required for Tenant Changes, accompanying Tenant's written request for same, Tenant shall provide to Landlord all plans and specifications related to such alterations. Whether or not Landlord's consent is required, upon completion of any Tenant Changes, Tenant shall provide to Landlord a copy of the as-built plans and specifications. Tenant acknowledges that Landlord's review of the plans is for the sole benefit of Landlord, and Landlord's approval does not constitute any representation by Landlord as to the compliance of such plans with any law or fitness of such alterations for a particular purpose or use. Tenant Changes (including, without limitation, any air conditioning equipment or devices installed in or upon the Premises) shall become the property of Landlord

and shall be surrendered with the Premises, as a part thereof, at the end of the term or earlier termination hereof. Landlord may impose such restrictions and conditions it deems appropriate on the construction of Tenant Changes including, without limitation, the types and amounts of insurance required to be carried by Tenant's general contractor for the benefit of Landlord and Tenant; and requiring Tenant to use contractors that are licensed and bondable; provided, however, that Tenant's selection of a general contractor shall not otherwise require Landlord's approval. Without limiting the generality of the foregoing, Tenant hereby covenants that, before commencing any Tenant Changes and regardless of whether or not Landlord's consent is first required, Tenant shall (i) give Landlord at least ninety (90) business days' written notice of the proposed commencement of such work (to afford Landlord and/or Master Landlord an opportunity to post appropriate notices of nonresponsibility); (ii) secure, at Tenant's sole cost and expense, a completion and lien indemnity bond, in an amount equal to the cost of such Tenant Changes, and in all other respects satisfactory to Landlord for such work, and (iii) furnish Landlord with properly executed certificates of insurance in accordance with Paragraph 16.2 evidencing the types and amounts of insurance coverage required to be carried by Tenant's general contractor for the benefit of the Landlord and Tenant. Tenant covenants and agrees that all alterations done by or pursuant to the direction of Tenant shall be performed expeditiously, in a good and workmanlike manner, strictly in accordance with any plans and specifications related to such alterations that were approved by Landlord, in full compliance with all laws, rules, orders, ordinances, directions, regulations and requirements of all governmental agencies, offices, departments, bureaus and boards having jurisdiction, in full compliance with the rules, orders, directions, regulations, and requirements of the Insurance Service Office or any similar body, and in a manner so as to minimize interference with pedestrian and vehicular traffic and other businesses in the Shopping Center. Tenant shall procure and maintain in full force and effect during the course of such work, at Tenant's sole cost and expense, builder's risk, insurance in an amount reasonably satisfactory to Landlord.

10.2 The provisions of this Lease are intended fully to govern the rights and obligations of Landlord and Tenant as they relate to the need for repairs to the Premises. Accordingly, Tenant waives and releases any rights it may have to make repairs at Landlord's expense or to quit the Premises pursuant to applicable law which may now exist or hereafter be enacted or enforced which confers upon Tenant the right to make any repairs to the Premises, whether or not for the account of Landlord, or to terminate this Lease because of Landlord's failure to keep the Premises in good order, condition and repair.

10.3 Other Tenant Changes. If any alteration, addition, replacement or change shall be required by law or the requirements of any insurance company (as a condition to the issuance or continuation of insurance coverage without increase in Premium) to be made to the Premises for any reason including, without limitation, (i) Tenant's failure to maintain the Premises in the manner required hereby, (ii) Tenant's use of the Premises, a change in the manner or mode of Tenant's use of the Premises, or the location of partitions, trade fixtures, merchandise or other contents of the Premises, or (iii) any requirement of law or ordinance or other requirement of any government or other authority, then, such alterations, additions, replacements or changes shall be promptly made and paid for solely by Tenant in accordance with Paragraph 10.1, above.

ARTICLE 11

LIENS AND ENCUMBRANCES

11.1 Tenant's Covenants. Tenant covenants and agrees to keep the Premises, and Tenant's leasehold interest therein, free from any mechanics' liens or other encumbrances, and that any such liens or encumbrances for any obligation or for work claimed to have been furnished, done for, obligations incurred for or materials claimed to have been furnished to Tenant or any other party, will be discharged by Tenant, by bond or otherwise, within ten (10) days after Tenant learns of the filing thereof, at the cost and expense of Tenant, and Tenant further agrees to defend, indemnify and hold harmless Landlord from and against any such liens or claims or actions thereon, together with costs of suit and attorneys' fees incurred by Landlord in connection with any such claims or actions. If any such liens are filed and Tenant fails to discharge such liens, by bond or otherwise, within such ten (10) days after Tenant learns of the filing thereof, Landlord may, without waiving its rights and remedies based on such breach of Tenant and without releasing Tenant from any of its obligations, cause such liens to be released by any means it shall deem proper, including payment in satisfaction of the claims giving rise to such liens. Tenant shall reimburse Landlord, within ten (10) days after demand therefor, for any sum paid or incurred by Landlord to remove such liens. Tenant shall have the right to contest any such liens or claims and not be in violation of this Article 11, and Landlord shall cooperate with Tenant in the prosecution of such contest (at no cost or expense to Landlord); provided, however, that Tenant must first pay, bond over, or otherwise discharge any such liens as a condition to initiating and pursuing such contest.

ARTICLE 12
TAXES ON THE PREMISES AND TENANT'S PROPERTY

12.1 Personal Property Taxes. Tenant shall be liable for, and shall pay not later than ten (10) days before delinquency, all taxes levied against Tenant's Property (as that term is defined below) and any other personal property of whatsoever kind and to whomsoever belonging, located or installed in or about the Premises commencing on the date Tenant's Property or such other personal property is placed in or about the Premises (and, upon demand by Landlord, Tenant shall furnish Landlord with evidence to Landlord's satisfaction of payment thereof). The term "Tenant's Property" shall mean all interior signs, trade fixtures, furniture and equipment and other moveable items installed or placed on the Premises by or at the direction or with the consent of Tenant, regardless of ownership. If any such taxes on Tenant's Property or other personal property are levied against Landlord or Landlord's property and if Landlord pays the same (which Landlord shall have the right to do regardless of the validity of such levy, but only under proper protest if requested in writing by Tenant), or if the assessed value of Landlord's property is increased by the inclusion therein of a value placed upon Tenant's Property or such other personal property, and if Landlord pays the taxes based upon such increased assessment (which Landlord shall have the right to do regardless of the validity thereof, but only under proper protest in writing if requested by Tenant), Tenant shall repay to Landlord, within ten (10) days after demand therefor, the taxes so paid by Landlord and any expenses incurred by Landlord in connection therewith, together with interest thereon at the Lease Rate (as defined in Paragraph 22.11). In any such event Tenant shall have the right, in the name of Landlord and with Landlord's full cooperation, but at no cost to Landlord, to bring suit

in any court of competent jurisdiction to recover the amount of any such taxes so paid under protest, any amount so recovered belonging to Tenant.

12.2 Real Property Taxes. From and after the Execution Date, Tenant shall pay the real property taxes, as defined below, applicable to the Premises through the entire term of this Lease. All such payments shall be made at least five (5) business days prior to the delinquency date. Tenant shall promptly furnish Landlord with satisfactory evidence that such taxes have been paid. If any such taxes paid by Tenant covers any period of time after the expiration of the term hereof, Tenant's share of such taxes shall be equitably prorated to cover only the period of time within the tax fiscal year during which this Lease shall be in effect, and Landlord shall reimburse Tenant to the extent required. If Tenant shall fail to pay any such taxes, Landlord shall have the right to pay the same, in which case Tenant shall repay such amount to Landlord with Tenant's monthly installment of Fixed Rent together with interest on such amounts at the Lease Rate (as defined in Paragraph 22.11, below). If the Premises are not separately assessed, Landlord shall pay all real property taxes on the Premises, and Tenant shall pay the Landlord, within thirty (30) days after request therefor, Tenant's proportionate share of such real property taxes imposed upon the Premises as the Landlord reasonably determines to be allocated to the Premises. As used herein, the term "real property taxes" shall include any form of real estate tax or assessment, general, special, ordinary or extraordinary, and any license fee, commercial rental tax, improvement bond or bonds, levy or tax (other than inheritance, personal income or estate taxes) imposed on the Premises by any authority having the direct or indirect power to tax, including any city, state or federal government, or any school, agricultural, sanitary, hospital, fire, street, drainage or other improvement district thereof, as against any legal or equitable interest of Landlord in the Premises or in the real property of which the Premises are a part, as against Landlord's right to rent or other income therefrom, and as against Landlord's business of leasing the Premises. The term "real property taxes" shall also include any possessory interest tax or other tax, fee, levy, assessment or charge, in substitution, partially or totally, of any tax, fee, levy, assessment or charge hereinabove included within the definition of "real property taxes". Without limiting the generality of the foregoing, Tenant shall be responsible for, and the term "real property taxes" shall include, any increase in real property taxes which is caused due to (I) any "change in ownership" of the Premises or any portion of the real property of which the Premises constitute a part (as defined in Sections 60-69 of the Revenue and Taxation Code, the regulations promulgated thereunder and any amendments or successor statutes or regulations thereto) or (ii) any construction or work of improvement in the Premises. All assessments (excluding those relating specifically to the Tenant Improvements on the Premises) shall be paid in full by Landlord on or before the Commencement Date (or, if any such assessments may be paid in installments without penalty and without additional cost to Tenant, Landlord may pay them as and when they become due).

ARTICLE 13
MAINTENANCE AND REPAIR

13.1 Tenants Obligation to Maintain and Repair Premises. Tenant shall keep in good order, condition and repair, the building and all of the other improvements constituting the Premises, structural and non-structural (whether or not such portion of the Premises requiring repair, or the means of repairing the same, are reasonably or readily accessible to Tenant, and

whether or not the need for such repairs occurs as a result of Tenant's use, any prior use, the elements or the age of such portion of the Premises) including, without limiting the generality of the foregoing, all plumbing, heating, air conditioning, ventilating, electrical, lighting, facilities and equipment within the Premises, fixtures, walls (both interior and exterior), foundations, ceiling, roofs (both interior and exterior), floors, windows, doors, plate glass and skylights located within or upon the Premises, and all landscaping, driveways, parking lots, fences, and signs, if any, located on the Premises and on the sidewalks and parkways immediately adjacent to the same. Tenant waives and releases any right it may have to make repairs at Landlord's expense or to quit the Premises under applicable law. If Tenant fails to perform Tenant's maintenance and repair obligations as set forth above or under any other paragraph of this Lease, Landlord may at its option (but shall not be required to) enter upon the Premises after fifteen (15) days' prior written notice to Tenant (except in the case of an emergency, in which case no notice shall be required) perform such obligations on Tenant's behalf and put the same in good order, condition and repair, and the cost thereof together with interest at the Lease Rate (as defined in Paragraph 22.11, below) shall become due and payable as Additional Rent to Landlord together with the Tenant's next installment of Fixed Rent. It is clearly intended by the parties hereto that Landlord have no obligation, in any manner whatsoever, to repair or maintain the Premises or the equipment therein, whether structural or non-structural; all of which obligations are intended to be assumed and performed solely by Tenant and at Tenant's sole cost and expense. Tenant expressly waives the benefit of any statute now or hereafter in effect which would otherwise afford Tenant the right to make repairs at Landlord's expense or to terminate this lease because of Landlord's failure to keep the Premises in good order, condition and repair.

ARTICLE 14
ENTRY AND INSPECTION

Tenant will permit Landlord, its employees, partners, directors, officers, representatives, agents and affiliates, at all reasonable times during normal business hours and at any time in case of emergency, (i) to enter into and upon the Premises for the purpose of inspecting the same, or for the purpose of protecting the interest therein of Landlord and Master Landlord, or to post notices of nonresponsibility; and (ii) to take all required materials and equipment into the premises, and perform all required work therein, including the erection of scaffolding, props or other mechanical devices, for the purpose of making alterations, repairs or additions to the Premises (after the failure or refusal of Tenant to cure a default) or to any portion of the Common Areas or for maintaining any service provided by Landlord to Tenant hereunder, without any payment, rebate or abatement of Rent to Tenant (although Landlord is under no obligation to make such alterations, repairs or additions to the Premises or to maintain or provide any services to the Premises, except to the extent provided elsewhere in this Lease). Tenant shall also permit Landlord and Master Landlord and their respective employees, partners, directors, officers, representatives, agents and affiliates, upon request, to enter and/or pass through the Premises or any part thereof, at reasonable times during normal business hours, to show the Premises to prospective purchasers, mortgagees or master or ground lessors of the Premises or any portion thereof. Landlord, Master Landlord, and their respective employees, partners, directors, officers, representatives, agents and affiliates shall have no liability to Tenant for any disturbance to Tenant (and Tenant shall have no right to abate Rent) as a consequence of Landlord's exercise of its rights hereunder.

ARTICLE 15
WAIVER AND INDEMNIFICATION

15.1 Waiver. From and after the Commencement Date or the date Landlord gives Tenant possession of the Premises, whichever first occurs, Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to Tenant's property or injury to Tenant's employees, agents, visitors, invitees and licensees anywhere on the Premises, and Tenant hereby waives all claims in respect thereof from any cause whatsoever against Landlord, its agents or employees, except claims for personal injury or property damage not covered by the insurance required to be carried by Tenant pursuant to Paragraph 16.1 which are caused by the failure of Landlord to observe any of the terms and conditions of this Lease (and such failure persists for an unreasonable period of time after written notice of such failure) or which arise from any neglect, fault or omission of Landlord, or of its agents or employees. Landlord shall not be liable to Tenant for any unauthorized or criminal entry of third parties into the Premises, or for any damage to persons or property, or loss of property in or about the Premises. Tenant hereby agrees that in no event shall Landlord be liable for consequential damages, including injury to Tenant's business or any loss of income therefrom, nor shall Landlord be liable to Tenant for any damages caused by the act or neglect of any other third party.

15.2 Indemnifications.

(a) Tenant's Indemnification of Landlord. From and after the Commencement Date, Tenant hereby agrees to indemnify, defend and hold Landlord harmless against and from any and all claims for damages or injury occurring on the premises, or in connection with the conduct of its business on the Premises, or from any activity, work, or other thing permitted or suffered by Tenant on the Premises, and shall further indemnify, defend and hold Landlord harmless against and from any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act, neglect, fault, or omission of Tenant, or of its agents, employees, visitors, invitees, and licensees occurring on the Premises or any part or portion thereof, or on the Tenant Adjacent Property, and from and against all reasonable costs, attorneys' fees, expenses, and liabilities incurred in connection with any such claims or any actions or proceedings brought thereon; and in case any action or proceeding be brought against Landlord by reason of such claim, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord. When the claim is caused by the joint negligence or willful misconduct of Landlord and Tenant or Tenant and a third party unrelated to Tenant (except Tenant's agents or employees), Tenant's duty to indemnify and save harmless Landlord shall be in proportion to Tenant's allocable share of the joint negligence or willful misconduct.

(b) Landlord's Indemnification of Tenant. From and after the Commencement Date, Landlord shall indemnify and save harmless Tenant from and against any and all suits, liabilities, obligations, damages, penalties, claims, costs, charges, and expenses, including reasonable attorneys' fees, from third parties which may be imposed upon or incurred by or asserted against Tenant (i) as a result of or arising out of Landlord's failure to perform any covenant or agreement required to be performed by Landlord under this Lease, (ii) caused by the negligence

or willful misconduct of Landlord, its agents and employees, or (iii) in connection with the Landlord's performance of its demolition work on the Premises as provided in Paragraph __. When the claim is caused by the joint negligence or willful misconduct of Landlord and Tenant or Landlord and a third party unrelated to Landlord (except Landlord's agents or employees), Landlord's duty to indemnify and save harmless Tenant shall be in proportion to Landlord's allocable share of the joint negligence or willful misconduct.

15.3 Survival. The provisions of this Article 15 shall survive the expiration or sooner termination of this Lease.

ARTICLE 16
INSURANCE

16.1 Insurance to be Provided by Tenant. From and after the Commencement Date, and continuing thereafter until the expiration or sooner termination of the term hereof (or the date on which Tenant has completely vacated the Premises, if that occurs subsequent to the expiration or termination of the term), Tenant shall carry and maintain, at its sole cost and expense, the following types of insurance (affording primary coverage) in the amounts specified and in the form hereinafter provided for:

(a) Property damage insurance covering (i) the Premises, including all improvements as may be made by Tenant pursuant to Exhibit "B" and, later under Article 10 hereof, if any, and (ii) Tenant's Property, including all trade fixtures, inventory, merchandise and other personal property from time to time in the Premises, both in amounts not less than one hundred percent (100%) of their replacement cost valuation from time to time during the term of this Lease (with a value endorsement deleting any coinsurance provisions), providing "all risk coverage" (also known as "special causes of loss"), including sprinkler leakage and plate glass coverage and coverage for flood and earthquake provided that earthquake coverage shall be available to the Tenant on commercially reasonable terms. Unless this Lease is terminated pursuant to Paragraph 19.2, the proceeds of such insurance shall be used for the repair or replacement of the property so insured, and any deficiency (whether due to inadequacy of coverage, a deductible, or otherwise) shall be paid for by Tenant. Following a casualty (and regardless of whether or not this Lease is terminated pursuant to Paragraph 19.2), the proceeds under (i) above shall be paid to Landlord, and Landlord's lenders, as their respective interests may then appear, and the proceeds under (ii) above shall be paid to Tenant. Except in the event this Lease is terminated under Paragraph 19.2, the proceeds so paid to Landlord shall be made available by the Landlord to Tenant for payment of the costs and expenses of repair incurred by Tenant for the repair or replacement of the Premises and the improvements made by the Tenant; provided, however, that such proceeds shall be allocated to Tenant subject to reasonable conditions including, but not limited to, an architect's certification of costs, retention of a percentage of such proceeds pending recordation of a notice of completion, and other customary builder's disbursement controls for the repair or replacement of the Premises and the improvements made by the Tenant, all at the sole expense of Tenant. In the event that the insurance proceeds are insufficient to cover the cost of repair, then any amounts required over the amount of the insurance proceeds received necessary to complete said repair shall be paid by Tenant prior to the release of any insurance proceeds.

(b) Business automobile liability insurance, or equivalent form, with a combined single limit of not less than Five Million Dollars ($5,000,000) per occurrence. Such insurance shall include coverage for owned, non-owned and hired automobiles.

(c) Commercial or comprehensive general liability insurance (including bodily injury and property damage) in an amount of not less than a combined single limit of Five Million Dollars ($5,000,000), insuring against any and all liability of the insured with respect to the Premises arising out of the use or occupancy thereof (including the construction of improvements on the Premises or any portion thereof), and under which the insurer agrees to cover and protect Tenant and all additional insured parties from and against all costs, expenses and/or liability arising out of or based upon Tenant's indemnification obligations pursuant to Paragraph 15.2 of this Lease.

(d) Workers' compensation as required by law and employer's liability insurance for at least One Million Dollars ($1,000,000) in coverage.

(e) Any other form of insurance for risks and/or perils against which a prudent tenant would customarily protect itself (and/or increases in the amounts of coverage under any or all of the liability insurance policies hereinabove required to be carried by Tenant) in such form and amounts as Landlord or Landlord's lender may reasonably require from time to time.

Tenant's insurance coverage under this Paragraph 16.1 may be subject to a commercially reasonable deductible (which deductible shall not exceed $50,000 without Tenant's having first obtained Landlord's prior written consent).

16.2 Evidence of Insurance. Tenant shall furnish properly executed policies or certificates of insurance to Landlord prior to Tenant's occupancy. Such policies or certificates shall clearly evidence all coverage required of Tenant, shall have commercially reasonable deductibles, and shall provide that such insurance shall not be materially changed, terminated or allowed to expire except after thirty (30) days prior written notice to Landlord. All policies required hereunder (except as described in Subparagraph 16.1(d), above) shall name Landlord, Landlord's lenders, and the Master Landlord as additional insureds and the certificate thereof shall evidence such coverage. Certificates of insurance shall be replaced with new binders or certificates prior to the termination of any policy of insurance required of Tenant. In Landlord's discretion, Landlord may request complete copies of Tenant insurance policies in lieu of such certificates. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies obtained by Tenant; provided such blanket policies expressly afford coverage to the Premises and to Tenant as, in Landlord's opinion, is required by this Lease. All policies required by this Paragraph 16 shall be issued by insurers qualified to do business in the State of California, whose financial strength is reasonably acceptable to Landlord, and in form satisfactory to Landlord, from time to time.

16.3 Maintenance of Insurance. If Tenant, for any reason, fails to maintain insurance coverage which is required pursuant to this Lease, the same shall be deemed a material default and breach of this lease. Landlord, at its sole option, may immediately terminate this Lease and obtain damages from Tenant resulting from said breach. Election by Landlord not to terminate

this Lease shall not be deemed a waiver by Landlord of Tenant's breach, nor of any of Landlord's rights and remedies pursuant to the terms of this Lease. Landlord may (but is under no obligation to do so) at any time and from time to time, and without notice, procure such insurance and pay the premiums therefor, in which event Tenant shall, within ten (10) days after demand therefor, reimburse Landlord for all amounts paid and costs and expenses incurred by Landlord to procure and pay for such insurance, plus interest on such amounts at the Lease Rate (as defined in Paragraph 22.11).

16.5 Waiver of Subrogation. Any policy or policies of property insurance which either party obtains in connection with the Premises, shall include a clause or endorsement denying the insurer any rights of subrogation against the other party to the extent rights have been waived by the insured prior to the occurrence of injury or loss. Landlord and Tenant waive any rights against the other for injury or loss due to hazards covered by such insurance, whether or not containing such a waiver of subrogation clause or endorsement, to the extent of the loss covered thereby, or if either party does not, for any reason, have valid enforceable insurance, then, this waiver shall apply to the extent of all property insurance which was required to be carried hereunder.

ARTICLE 17
ASSIGNMENT AND SUBLETTING

17.1 General Limitations. Except as expressly provided in Paragraphs 17.3 and 17.4 of this Article, without Landlord's written consent first had and obtained, Tenant (including without limitation any subsequent assignee or subtenant) shall not either voluntarily or by operation of law, assign, mortgage, hypothecate or encumber this Lease, or any interest in this lease, permit the use of the Premises by any person or persons, franchises, affiliated companies, licensees or concessionaires, other than Tenant, or sublet the Premises or any part of the Premises. Any transfer of this Lease from Tenant by merger, reorganization, liquidation, or the sale, conveyance, transfer by bequest or inheritance, or other transfer of a controlling interest in Tenant (whether by transfer of stock, partnership interest or otherwise) shall constitute an assignment for the purposes of this lease. A consent to one assignment, subletting, occupation or use shall not constitute a waiver of the necessity of such consent to a subsequent assignment or subletting, whether by Tenant or any subsequent assignee or subtenant. Tenant shall not be released from liability for the full performance of all the terms, conditions and covenants of this Lease on Tenant's part to be performed, whether occurring before or after such consent, assignment or subletting. Any requests for consent to a sublease or assignment hereunder shall be accompanied by a check payable to Landlord in the sum of One Thousand Dollars ($1,000) as a charge for the processing of such documents. In addition, Tenant shall reimburse Landlord its actual costs and expenses for attorneys' fees incurred in connection with any proposed sublease or assignment. If so requested by Landlord, Tenant shall deposit with Landlord the Landlord's estimate of such legal fees prior to the commencement by Landlord of any review of the proposed request for consent.

17.2 No Unreasonable Withholding of Consent. Landlord shall not unreasonably withhold its consent to an assignment or subletting for the same use as provided in Paragraph __ of this Lease, notwithstanding anything in this Article 17 to the contrary. The foregoing is not

intended to imply any waiver of Landlord's reservation of the absolute right to (a) disapprove assignments or subleases for uses that differ in any material respect from the use expressly permitted in Paragraph 10 of the Lease Summary or that violate the standards set forth in Paragraph 8.1, or (b) terminate this Lease in accordance with Paragraph 8.4. In determining whether or not to consent to the proposed assignment or subleasing, Landlord may consider, among other factors, the experience of the proposed sublessee or assignee in operating a business for the use set forth in Paragraph __ of this Lease, and whether the proposed sublessee or assignee is financially sound and has a net worth that is adequate in the circumstances. The acceptance of Rent by Landlord from any other person shall not be construed as a waiver by Landlord of any provision of this Lease, or as a waiver of the requirement of Landlord's consent to any assignment, subletting or other transfer, or to be a release of Tenant from any obligation under this Lease. Each assignee or subtenant shall jointly assume all obligations of the Tenant under this Lease, and shall be and remain liable jointly and severally with Tenant for the payment of Rent, and for the due performance of all the terms, covenants and conditions and agreements herein contained on Tenant's part to be performed during the Lease term; provided, however, that a subtenant shall be liable to Landlord for Rent only in the amount set forth in the sublease. Whether or not Landlord's consent is required, no assignment shall be effective or binding on Landlord unless such assignee or sublessee shall deliver to Landlord a counterpart of such assignment or sublease (and any related collateral agreements) and an instrument in recordable form which contains a covenant of assumption by the assignee or sublessee satisfactory in substance and form to Landlord, consistent with the above requirements. The failure or refusal of the assignee or sublessee to execute such an instrument of assumption shall not waive, release or discharge the assignee or sublessee from its liability.

17.3 Reorganizations and Mergers. Tenant shall be entitled to assign and transfer this Lease to the surviving business entity in the event of a merger or a sale of assets transaction to which Tenant shall be a party; provided, however, that such subsidiary, affiliated firm or surviving business entity shall in writing expressly assume all of the provisions, covenants and conditions of this Lease on the part of Tenant to be kept and performed; and provided, further (unless Tenant shall thereafter cease to exist) that no such assignment or transfer shall act as a release of Tenant from any of the provisions, covenants and conditions of this Lease on the part of Tenant to be kept and performed. This Paragraph 17.3 shall not apply in the event of a sale of less than substantially all (meaning, for purposes of this Paragraph 17.3, less than 75%) of the assets of Tenant.

17.4 Assignment as a Result of Tenant's Bankruptcy.

(a) If Tenant, pursuant to this Lease, proposes to assign the same pursuant to the provisions of the United States Bankruptcy Code 11 USC Section 101 et seq (the "Bankruptcy Code") to any person or entity who shall have made a bona fide offer to accept an assignment of this Lease on terms acceptable to Tenant, then, notice of the proposed assignment setting forth (i) the name and address of such person, (ii) all of the terms and conditions of such offer, and (iii) the assurances referred to in Section 365(b)(3) of the Bankruptcy Code, shall be given to the Landlord by the Tenant no later than twenty (20) days after receipt of such offer by the Tenant, but in any event no later than ten (10) days prior to the date that Tenant shall make application to a court of competent jurisdiction for authority and approval to enter into such assignment and

assumption, and Landlord shall thereupon have the prior right and option, to be exercised by notice to the Tenant given at any time prior to the effective date of such proposed assignment, to accept an assignment of this Lease upon the same terms and conditions and for the same consideration, if any, as the bona fide offer made by such person, less any brokerage commissions which may be payable out of the consideration to be paid such person for the assignment of this Lease.

(b) Any person or entity to which this Lease is assigned pursuant to the provisions of the Bankruptcy Code shall be deemed without further act or deed to have assumed all of the obligations arising under this Lease on or after the date of such assignment. Any such assignee shall, upon demand, execute and deliver to Landlord an instrument confirming such assumption.

(c) The following factors may be considered by the Landlord as necessary in order to determine whether or not the proposed assignee has furnished Landlord with adequate assurances of its ability to perform the obligations of this Lease:

1. The adequacy of a security deposit; and

2. Net worth and other financial elements of the proposed assignee.

(d) In the event Landlord rejects the proposed assignee, the rights and obligations of the parties hereto shall continue to be governed by the terms of this Lease, and Tenant shall have all the rights of Tenant under applicable California law.

17.5 Effect of Violation. Except as may be expressly permitted without Landlord's consent elsewhere in this Lease, any assignment, mortgage, pledge, hypothecation, encumbrance, subletting or license of this Lease, the leasehold estate hereby created, or the Premises or any portion thereof, either voluntarily or involuntarily, whether by operation of law or otherwise, or any other action by Tenant in violation of the restrictions set forth in this Article 17, without the prior written consent of Landlord first had and obtained therefor, shall be null and void and shall, at the option of Tenant, constitute a material default under this Lease.

17.6 No Release. Tenant is not and shall not be released from liability for the full and complete performance of the terms, conditions, and covenants of this Lease upon any assignment, sublease, or other transfer, regardless of whether or not Landlord's consent was first required.

ARTICLE 18
TRANSFER OF LANDLORD'S INTEREST

In the event of any transfer or transfers of Landlord's interest in the Premises under the Master Lease, other than a transfer for security purposes only, the transferee shall automatically be relieved of, and Tenant shall release such transferee from, any and all obligations and liabilities on the part of Landlord accruing prior to the date of such transfer, including without limitation the obligation of Landlord under Article 6 hereof to return the Deposit to the Tenant;

provided, with respect to the Deposit, that the transferee appropriately credits the Tenant for the Deposit.

ARTICLE 19
DAMAGE OR DESTRUCTION

19.1 Obligation to Rebuild. Should any or all of the improvements on the Premises be damaged or destroyed, partially or totally, from any cause covered (or required to be covered) by any insurance required to be maintained under Paragraph 16.1 hereof, or if the Premises are damaged from a cause not required to be covered by insurance under Paragraph 16.1 and the cost of repair or restoration is less than twenty-five percent (25%) of the then-replacement value, then Tenant shall repair, restore and rebuild said improvements on the Premises to at least the condition existing immediately prior to such damage or destruction, and this Lease shall remain in full force and effect. Such repair, restoration and rebuilding (all of which are herein called "repair") shall be commenced promptly after such damage or destruction has occurred and shall be diligently pursued to completion. Without limiting Landlord's other available remedies, Tenant's failure to rebuild, replace or use the Premises for commercial purposes shall give Landlord a right to recapture the Lease as provided in Paragraph 8.4.

19.2 Last Five Years. If the Premises are damaged or destroyed, either partially or totally, during the last five (5) years of the term of this Lease, Landlord and Tenant shall each have the right to cancel and terminate this Lease as of the date of occurrence of such damage by giving written notice to the other of its election to do so within thirty (30) days after the date on which such damage occurred.

19.3 Effect of Termination. In the event this Lease is terminated under the provisions of Paragraph 19.2, such termination shall become effective at the time and in accordance with the respective provisions herein contained for the termination of this Lease; provided, however, that all Rent and other charges on the part of Tenant to be paid hereunder shall be prorated and paid either as of the date Tenant ceases doing business in, upon or from the Premises or the Tenant surrenders possession of the Premises to the Landlord, whichever date shall last occur. In the event this Lease is terminated under the provisions of Paragraph 19.2, Tenant shall have no claim to the proceeds of property damage insurance, except to the extent of any unamortized construction costs of the Building which were paid by Tenant at its own expense.

19.4 Uninsured Casualty. Should any or all of the improvements on the Premises be damaged or destroyed from any cause not covered (or required to be covered) by insurance required to be maintained under Paragraph 16.1 hereof in excess of twenty-five percent (25%) of its then-replacement value, then Tenant shall have the option to either

(a) repair, restore and rebuild said improvements on the Premises to at least the condition existing immediately prior to such damage or destruction per the terms and conditions of Paragraph 19.1, above, or

(b) demolish and remove the improvements and hydroseed the Premises so that it is visually harmonious with the adjacent land.

In the event of such an uninsured casualty so that Tenant has the option under Subparagraphs 19.4(a) and (b), above, following its exercise of such option Tenant may assign or sublet the Premises in accordance with Paragraph 17.2, above.

19.5 No Abatement of Rent. Notwithstanding the partial or total destruction of the Premises or any part thereof, and notwithstanding whether or not the casualty is insured, there shall be no abatement of Rent or any other obligation of Tenant hereunder by reason of such damage or destruction (unless Landlord recaptures the Premises as permitted under Paragraph 19.1).

ARTICLE 20
EMINENT DOMAIN

20.1 Termination. If the whole of the Premises shall be taken under power of eminent domain (or by deed in lieu of condemnation), this Lease shall automatically terminate. If any portion of the total square footage of the Premises is so taken under the power of eminent domain (or by deed in lieu of condemnation), and such partial taking reasonably may be construed to render the remainder of the Premises unsuitable for Tenant's business, this Lease may be terminated by Tenant by written notice given within thirty (30) days after such taking, in either case such termination to be effective as of the date possession is taken by the condemning authority. No award for any partial or entire taking shall be apportioned, and Tenant hereby assigns to Landlord any award which may be made in such taking or condemnation, together with any and all rights of Tenant now or hereafter arising in or to the same or any part thereof, except to the extent of any unamortized construction costs of the Building which were paid by Tenant at its own expense; provided, however, that nothing contained herein shall be deemed to give Landlord any interest in or to require Tenant to assign to Landlord any award specifically made to Tenant for goodwill and relocation benefits. Any liability of Tenant to Landlord having already accrued under this Lease shall survive its early termination, as aforesaid.

20.2 Partial Taking. In the event of a partial taking of the Premises under the power of eminent domain (or by deed in lieu of condemnation) which does not result in a termination of this Lease, if such taking materially and adversely impacts access to or from or visibility of the Premises, the Fixed Rent shall be equitably adjusted to reflect any diminution in business revenue incurred by Tenant as a direct result of the partial taking. Landlord and Tenant hereby waive the provisions of Code of Civil Procedure Section 1265.130 allowing either party to petition the Superior Court, or any right either may have, to terminate this Lease in the event of a partial taking of the Premises.

20.3 Temporary Taking. No temporary taking of the Premises and/or of Tenant's rights therein or under this Lease shall terminate this Lease or give Tenant any right to any abatement of Rent hereunder. Any award made to Tenant by reason of any such temporary taking shall belong entirely to Tenant, and Landlord shall not be entitled to share therein.

ARTICLE 21
[RESERVED – NO TEXT]

ARTICLE 22
DEFAULTS AND REMEDIES

22.1 Default Defined. The occurrence of any of the following shall constitute a material default and breach of this Lease by Tenant:

(a) The failure by Tenant to pay any Rent or make any other payment required to be made by Tenant hereunder within three (3) days after Tenant's receipt of written notice from Landlord that any such payment is past due; provided, however, that notwithstanding the notice prerequisite for a default under this Subparagraph 22.1(a), Landlord shall be entitled to receive, as more particularly set forth in Paragraph 22.11, below, a late charge and interest at the Lease Rate on any payments not paid as and when due;

(b) The abandonment (which is deemed to include absence from the Premises for more than ten (10) days while in default of any material provision of this Lease) or vacation (except to facilitate an assignment or subletting permitted pursuant to Article 17) of all or any portion of the Premises by Tenant;

(c) Tenant's failure to adequately bond or cause to be released any mechanics' liens filed against the Premises within ten (10) days after the date same shall have been filed (unless Tenant contests such liens in accordance with Article 11);

(d) The failure by Tenant to observe or perform any other provision of this Lease to be observed or performed by Tenant, other than those described in Subparagraphs (a), (b) and (c) above, where such failure continues for thirty (30) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of such default is such that the same cannot reasonably be cured within such thirty (30) day period, Tenant shall not be deemed to be in default if Tenant shall within such period commence such cure and thereafter diligently pursues the completion of same. Such thirty-day notice shall be in lieu of and not in addition to any notice required under applicable law;

(e) The making by Tenant of a general assignment for the benefit, of creditors; the filing by or against Tenant, or Tenant's guarantor of a petition to have Tenant adjudged a bankrupt or of a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days); the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this lease, where possession is not restored to Tenant within thirty (30) days; the attachment, execution, or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days; or the failure or admission by Tenant or Tenant's guarantor of its inability, generally, to pay its debts as they become due;

(f) Any attempted transfer, conveyance, assignment, hypothecation or subletting of this Lease, or any part thereof, otherwise than as expressly permitted hereunder; or

(g) The failure of Tenant to timely complete and deliver to Landlord the Estoppel Certificate required in Article 34 hereof, the Subordination and Attornment Agreement required in Article 27 hereof, or any other documentation required hereunder.

22.2 Remedies; Termination. In the event of any default by Tenant hereunder as set forth in Paragraph 22.1 hereof, and in addition to any other remedies available to Landlord at law, in equity or elsewhere under this Lease, all of which rights and remedies shall be cumulative, with the exercise of one or more rights or remedies not to impair Landlord's right to exercise any other right or remedy (and which may be exercised with or without legal process as then may be provided or permitted by the laws of the State of California), Landlord shall have the immediate option to terminate this Lease and all rights of Tenant hereunder by giving Tenant written notice of such election to terminate. In the event that Landlord shall elect to so terminate this Lease, then Landlord may recover from Tenant:

(a) the worth at the time of award of any unpaid Rent or other charges which had been earned at the time of such termination; plus

(b) the worth at the time of award of the amount by which the unpaid Rent and other charges which would have been earned after termination until the time of award exceeds the amount of such rental loss Tenant proves could have been reasonably avoided; plus

(c) the worth at the time of award of the amount by which the unpaid Rent and other charges for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could reasonably be avoided; plus

(d) any other amount necessary to compensate, Landlord for all the detriment proximately caused by Tenant's failure to perform its obligation under this Lease, or which in the ordinary course of things would be likely to result therefrom, including attorneys fees and costs; and

(e) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

As used in Subparagraphs (a) and (b) above, the "worth at the time of award" is computed by allowing interest at the Lease Rate (as defined in Paragraph 22.11, below). As used in Subparagraph (c) above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%). The amount recoverable by Landlord pursuant to Subparagraph (d) above shall include, but is not limited to, any costs or expenses incurred by Landlord in maintaining or preserving the Premises after such default, preparing said Premises for reletting to a new tenant, accomplishing any repairs or alterations to the Premises for the purpose of such reletting, rectifying any damage thereto occasioned by the act or omission of Tenant, and any other costs reasonably necessary or appropriate to relet the Premises.

22.3 Remedies; Re-entry. In the event of any such default by Tenant and termination of this Lease by Landlord, Landlord shall also have the right to re-enter the Premises and remove

all persons and property from the Premises as provided in Paragraph 23.3. Tenant hereby waives all claims for damages that may be caused by Landlord's re-entering and taking possession of the Premises or removing and storing the property of Tenant as provided in Paragraph 23.3.

22.4 Remedies; Non-termination and Collection of Rent. In the event Landlord elects not to terminate this Lease as provided in Paragraph 22.2 hereof, this Lease shall continue in full force and effect. In that event, Landlord may enforce all of its rights and remedies hereunder and at law, including the right to recover Rent and other charges as they come due. However, Tenant shall continue to have the right to possession of the Premises, and Tenant shall have the right to sublet the same with Landlord's written consent, which consent (for the purposes of this Paragraph 22.4) shall not unreasonably be withheld. Likewise for the abandonment by Tenant, no re-entry or taking possession of the Premises by Landlord shall be construed as an election to terminate this Lease, nor shall it cause a forfeiture of Rent or other charges remaining to be paid during the balance of the term herein, unless a written notice of such intention to terminate be given to Tenant by Landlord.

22.5 [RESERVED – NO TEXT].

22.6 No Effect on Indemnification Obligation. Nothing in this Article 22 shall be deemed to affect or waive Landlord's rights to indemnification for liability or liabilities rising prior to termination of this Lease for personal injury or property damage under Paragraph 15.2 or any other indemnification provision contained in this Lease.

22.7 [RESERVED – NO TEXT].

22.8 Landlord's Default. Landlord shall not be deemed in default hereunder unless Tenant shall have given Landlord written notice of such default specifying such default with particularity, and Landlord shall thereupon have thirty (30) days in which to cure any default unless such default cannot reasonably be cured within such period, in which case Landlord shall not be in default if it commences to cure the default within the thirty (30) day period and diligently pursues the completion of same.

22.9 Limitation on Recourse. If Landlord is in default of this Lease and, as a consequence, Tenant recovers a money judgment against Landlord, the judgment shall be satisfied only out of the proceeds of sale received on execution of the judgment and levy against the right, title and interest of Landlord in the Master Lease, other improvements and land of which the Premises are part, and out of rent or other income from the Premises receivable by Landlord, or out of the consideration received by Landlord from the sale or other disposition of all or any part of Landlord's right, title and interest in the Master Lease.

22.10 Notice to Mortgagees and Others. Should Landlord fail to observe or perform any of the covenants or conditions contained in this Lease and, before taking any action asserting the right to terminate this Lease (whether or not Tenant actually has such a right under this Lease), Tenant shall give written notice to all ground lessors, mortgagees and/or beneficiaries of deeds of trust (collectively "lenders") under instruments recorded against the Premises or any part thereof and/or of which Tenant has received written notice, setting forth the nature of Landlord's default.

Such lenders shall have a reasonable period of time to cure the default and perform any act which may be necessary to prevent the forfeiture of this Lease. All payments made, and all acts performed by such lenders in order to cure, shall be effected to prevent a forfeiture of the rights of Landlord under this Lease and a termination of this Lease, as if the payments and acts were performed by Landlord instead of by the lenders. If the lenders cannot reasonably take the action required to cure Landlord's default without terminating or foreclosing Landlord's interest and acquiring possession of the Premises, the time within which the default must be cured to avoid a termination or forfeiture of the Lease shall be extended to include the period of time reasonably required for such lenders to obtain possession and to effect a cure with due diligence, provided such lenders give Tenant a written undertaking to cure the default. In the absence of the lenders' express written consent, such an undertaking by the lenders shall not be considered an assumption by the lenders of Landlord's other obligations under the Lease, and Landlord shall remain solely liable for the performance of all terms, covenants and conditions of the Lease both prior and subsequent to the lenders' exercise of any right to cure or related remedy. A lender's exercise of any right to cure or related remedy shall not in any way constitute a cure or waiver of a breach or default under a ground lease, note, mortgage, deed of trust, or any other instrument given as security.

22.11 Remedies; Interest and Late Charges. Any payment not made when due shall bear interest at that fluctuating rate (the "Lease Rate") equal to the discount rate announced from time to time by the Federal Reserve Bank of San Francisco plus 500 basis points, or the maximum amount allowed by law, whichever is less. Any payment of Rent not paid when due shall be subject to a late charge of _____ Dollars ($___) or five percent (5%) of the rent then due and payable, whichever is more, to reimburse Landlord for its administrative costs and expenses in notating and processing such late payment. Such late charge will not limit Landlord's right to recover its actual costs of collection or the exercise of its remedies under this Lease, at law or in equity, in the event of a default, which costs Tenant agrees to pay upon demand. The provisions of this Paragraph 22.11 shall apply regardless of whether or not the Landlord has declared a default by Tenant under this Lease.

ARTICLE 23
SURRENDER OF PREMISES; REMOVAL OF PROPERTY

23.1 No merger. The voluntary or other surrender of this Lease by Tenant to Landlord, or a mutual termination thereof, shall not work a merger, and shall at the option of Landlord operate as an assignment to it of any or all subleases or subtenancies affecting the Premises. Furthermore, no termination of the Master Lease shall work a merger and shall, at the option of the ground lessor or master lessor, operate as an assignment of any subleases or subtenancies.

23.2 Condition Upon Surrender. Upon the expiration or earlier termination of this Lease, Tenant shall quit and surrender possession of the Premises to Landlord in broom-clean condition, free of all refuse, trash and garbage, and in as good order and condition as the same were in at the Commencement Date or as the same thereafter may be improved by Landlord or 3, reasonable wear and tear excepted. Tenant shall, without expense to Landlord, prior to expiration (or earlier termination not due to a Tenant default), remove or cause to be removed from the Premises all Tenant's Property (as that term is defined in Paragraph 12.1) and all similar articles

of any other persons claiming under Tenant (unless Landlord exercises its option to have any subleases or subtenancies assigned to it), and Tenant shall fully repair all damage to the Premises resulting from such removal. In the event of termination prior to the expiration of the term hereof, Tenant shall nevertheless remove Tenant's Property from the Premises in the manner aforesaid within sixty (60) days after receipt of written direction to do so form Landlord, provided that Tenant shall remain liable for Rent for the Premises until the completion of such removal. Notwithstanding the foregoing, Tenant may remove the heating, ventilation, and air conditioning units, plumbing fixtures and the floor coverings in the Premises only if directed in writing to do so by Landlord, in which event Tenant shall do so and shall repair all damage to the Premises resulting from such removal. In the event Tenant shall fail to remove any of Tenant's Property as provided herein, Landlord may, but is not obligated, at Tenant's expense, to remove all of Tenant's Property as provided in Paragraph 23.3. Tenant shall not be entitled to remove any items paid for by Landlord.

23.3 Removal of Property Upon Re-entry. Whenever Landlord shall re-enter the Premises as provided in this lease, any Tenant's Property and any other personal property belonging to Tenant (or any person claiming through or under Tenant) and not removed by Tenant (or such person claiming through or under Tenant) upon the expiration of the term of this Lease (or upon a judicial determination that the Tenant's right to possession of the Premises is terminated by reason of Tenant's default) shall be considered abandoned (provided, however, that Tenant may have up to sixty days to remove such property if Tenant pays to Landlord, upon such judicial termination, Rent for such time period). Landlord shall give Tenant whatever notice may legally be required of its right to reclaim any abandoned property as provided by applicable law and may thereafter remove any or all of such items and dispose of the same in any manner or store the same in a public warehouse or elsewhere for the account and at the expense and risk of Tenant. If Tenant shall fail to pay the cost of storing any such property after it has been stored for a period of ninety (90) days or more, Landlord may sell any or all of such property at public or private sale, in such manner and at such times and places as Landlord, in its sole discretion, may deem proper, without notice to or demand upon Tenant, for the payment of all or any part of such charges or the removal of any such property, and shall apply the proceeds of such sale: first, to the cost and expenses of such sale, including attorneys' fees and costs actually incurred; second, to the payment of the cost or charges for storing any such property; third, to the payment of any such sums of money which may then or thereafter be due to Landlord from Tenant under any of the terms hereof plus interest at the Lease Rate; and fourth, the balance, if any, to Tenant.

23.4 Tenant's Right to Remove Property. All of Tenant's Property (as defined in Paragraph 12.1) shall remain the property of Tenant and, subject to the provisions of Paragraph 23.2, may be removed by Tenant at any time during the term, provided Tenant is not then in default hereunder, and provided further that Tenant shall repair any damage caused by such removal.

ARTICLE 24
ATTORNEYS' FEES

24.1 Litigation Between the Parties. In the even suit is brought to enforce or interpret any part of this Lease, the prevailing party shall be entitled to recover, as an element of its costs of

suit, and not as damages, reasonable attorneys' fees and costs incurred therein, and in any appeal in connection therewith, to be fixed by the court. The "prevailing party" shall be entitled to recover its costs of suit whether or not the suit proceeds to final judgment. No sum for attorneys' fees and costs shall be counted in calculating the amount of a judgment for purposes of determining whether a party is entitled to recover its costs or attorneys' fees and costs. The prevailing party shall further be entitled to recover all costs and fees incurred in connection with the enforcement of any judgment or order issued in connection with such litigation (including without limitation attorneys' fees, Marshall fees, garnishment, third party examination, levy fees and costs, bankruptcy-related fees and costs, and post-judgment motions), and this provision shall not merge with such judgment and shall survive the entry thereof. Any judgment entered in such action shall contain a specific provision providing for the recovery of such fees and costs incurred in enforcing such judgment.

24.2 Litigation with Third Parties. Should Landlord, for any reason other than its exclusive gross negligence or willful misconduct, be made a party to any litigation instituted by Tenant or by any third party against Tenant, or by or against any person holding under or using the Premises by license, assignment or sublease of Tenant, or for the foreclosure of any lien for labor or material furnished to or for Tenant or any such other person or otherwise arising out of or resulting from any act, omission or transaction of Tenant or of any such other person, Tenant covenants, at Landlord's election and upon written tender of defense, to defend (with legal counsel of Landlord's choosing) and to save and hold Landlord harmless from any liability and any judgment rendered against Landlord or the Premises or any part thereof, including, without limitation, all costs and expenses (including attorneys' fees and costs), incurred by Landlord in connection with such litigation, plus interest at the Lease Rate.

ARTICLE 25
WAIVER

The waiver by Landlord or Tenant of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition as to any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance or payment of Rent hereunder by Landlord or Tenant, as the case may be, shall not be deemed to be a waiver of any preceding breach by the other of any term, covenant or condition of this Lease (other than the failure of Tenant to pay the particular Rent so accepted) regardless of Landlord's or Tenant's knowledge of such preceding breach at the time of acceptance or payment of such Rent.

ARTICLE 26
HOLDING OVER

If Tenant holds over after the expiration of the term (as defined in Article 28), with or without the express or implied consent of Landlord, such tenancy shall be from month to month only, and not a renewal hereof or an extension for any further term, and in such case Rent shall be payable in an amount equal to twice the amount payable by Tenant during the last month of the term hereof pursuant to and at the times specified in Articles 3, 4 and 5 herein, and such month to month tenancy shall be subject to every other term, covenant and agreement contained

herein. Nothing contained in this Article 26 shall be construed as a consent by Landlord to any holding over by Tenant, or as relieving Tenant from liability for any damages which such holding over may cause Landlord, and Landlord expressly reserves the right to require Tenant to surrender possession of the Premises to Landlord as provided in Article 23 herein forthwith upon the expiration or other termination of the term of this Lease.

ARTICLE 27
SUBORDINATION, ATTORNMENT AND NONDISTURBANCE

This Lease is subject and subordinate to all ground or master leases, mortgages, and deeds of trust to which the Landlord is a party and which affect the Premises on the Commencement Date, and to all renewals, modifications, consolidations, replacements, and extensions thereof. Landlord shall have the right to cause this Lease to be and become and remain subject and subordinate to any and all ground or master leases, mortgages or deeds of trust which may hereafter be executed covering the Premises, or any renewals, modifications, consolidations, replacements or extensions thereof, for the full amount of all advances made or to be made thereunder and without regard to the time or character of such advances, together with interest thereon and subject to all the terms and provisions thereof. Tenant agrees, within ten (10) business days after Landlord's written request therefor to execute, acknowledge, and deliver any and all documents or instruments requested by Landlord that do not materially diminish or impair Tenant's rights or materially increase Tenant's obligations or duties under this Lease and that are necessary or proper to assure the subordination of this Lease to any such mortgages, deeds of trust, or leasehold estates; provided, however, the foregoing provisions with respect to such election of subordination by Landlord shall not be effective unless and until after the owner or holder of any such mortgage, deed of trust, or the lessor under any such leasehold estate shall execute with Tenant a nondisturbance agreement reasonably acceptable to Tenant under which such owner, holder, or lessor shall agree, in the event of termination of such leasehold estate or upon the foreclosure of any such mortgage or deed of trust, that Tenant's quiet enjoyment of the Premises will not be disturbed so long as Tenant pays Rent and observes and performs all of the obligations under this Lease to be observed and performed by Tenant. Tenant's failure to deliver such a document or instrument of subordination within such ten (10) business day period, if required, shall at the option of Landlord constitute a material breach or default under this lease; provided, however, that Tenant shall have such additional time to respond following such 10-business day period as may be reasonably necessary under the circumstances to negotiate the specific terms of any such subordination, non-disturbance and attornment agreement). Notwithstanding anything to the contrary set forth in this Article 27, Tenant hereby attorns and agrees to attorn to any Person (as that term is defined in Article 28) purchasing or otherwise acquiring the Master Lease or the Premises at any sale or other proceeding or pursuant to the exercise of any other rights, powers, or remedies under such mortgages, or deeds of trust, or ground or underlying leases, at their option, as if such Person had been named as Landlord herein; provided, however, that the owner or holder of any such mortgage or deed of trust or the lessor under any such leasehold estate shall have executed with Tenant a non-disturbance agreement under which such owner, holder or lessor has agreed, in the event of termination of such leasehold estate or upon the foreclosure of any such mortgage or deed of trust, that Tenant's quiet enjoyment of the Premises will not be disturbed so long as Tenant pays Rent and observes and performs all the obligations under this Lease to be observed and performed by Tenant, it

being intended hereby that if this Lease is terminated, cut-off or otherwise defeated by reason of any act or actions by the owner or holder of any such mortgage or deed of trust or the lessor under any such leasehold estate, then, subject to the execution and delivery of said non-disturbance agreement, this Lease shall continue in full force and effect.

ARTICLE 28
DEFINITIONS

The following words and phrases shall have the following meanings:

(a) The words "Landlord" and "Tenant," as used herein, shall include the plural as well as the singular. Words used in neuter gender include the masculine and feminine and words in the masculine or feminine gender include the neuter. If more than one person executes this Lease as Tenant, (i) each of them is jointly and severally liable for the keeping, observing and performing of each and all of the obligations hereunder imposed upon Tenant and (ii) the act or notice from, or notice or refund to, or the signature of, any one or more of them with respect to the tenancy of this Lease shall be binding upon each and all of the persons executing this Lease as Tenant with the same force and effect as if each and all of them had so acted or so given or received such notice or refund or so signed.

(b) Unless otherwise specified: whenever the term "day(s)," "month(s)" or "year(s)" is used herein, it shall refer to calendar day(s), month(s) or year(s) (as the case may be).

(c) Whenever the words "term," "lease term" or "term of this Lease" are used herein, it shall refer to the term of this Lease and any prior exercised extensions and renewals thereof.

(d) "Consent" shall mean the prior written consent of a party, which may not be unreasonably withheld or delayed unless expressly indicated to the contrary.

(e) "Landlord's Agent" means any officer, director, servant or employee of Landlord or of any affiliate of Landlord.

(f) "Parent" shall mean any Person who owns more than 50% of the equity or beneficial interest of any other Person.

(g) "Person" shall mean any one or more human beings, or legal entities or other artificial persons, including, without limitation, partnerships, corporations, limited liability companies, trusts, estates, associations, joint ventures, and any other combination of human beings and/or legal entities.

(h) "Tenant Agent" shall mean any officer, director, servant, employee, agent, contractor, licensee, assignee, invitee or guest of Tenant.

(i) "Events of delay" shall mean strikes, lockouts, labor disputes, power outages, riots, restrictive governmental laws and other similar events beyond the control of Landlord or Tenant.

ARTICLE 29
HEIRS AND ASSIGNS/TIME OF ESSENCE

Subject to the provisions of Article 17 above, this Lease is intended to and does bind and accrue to the benefit of the heirs, executors, administrators, successors, and assigns of any and all of the parties hereto. Time is of the essence of this Lease.

ARTICLE 30
INTERPRETATION

30.1 Severability. If any term or provision of this Lease, the deletion of which would not adversely affect the receipt of any material benefit by either party hereunder, shall be held invalid or unenforceable to any extent, the remainder of this Lease shall not be affected thereby and each term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

30.2 Integration. This Lease along with any exhibits and attachments or other documents affixed hereto or referred to herein constitutes the entire and exclusive agreement between Landlord and Tenant relative to the Premises herein described. Landlord and Tenant hereby agree that all prior or contemporaneous oral agreements and understandings relative to the leasing of the Premises are superseded by this Lease.

30.3 Amendment. This Lease may be altered, amended or revoked only by an instrument in writing signed by both Landlord and Tenant and making specific reference to this Lease.

30.4 Section Headings. The headings included in this lease are for convenience only, and shall not be used to interpret this Lease.

30.5 Lease Draftsman. This Lease was negotiated between the parties and their respective counsel and professional advisors, and the parties agree that such provisions shall be interpreted without reference to the draftsman of the lease or any portion thereof, because this Lease is a product of all their efforts.

ARTICLE 31
RIGHT OF LANDLORD TO PERFORM

All covenants and agreements to be performed by Tenant under any of the terms of this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any abatement of Rent. If Tenant shall fail to pay any sum of money, other than Rent, required to be paid by it hereunder, or shall fail to perform any other act on its part to be performed hereunder, and such failure shall continue beyond any applicable grace period set forth in Article 22 above, Landlord may, but shall not be obligated so to do, and without waiving or releasing Tenant from any obligations of Tenant, make any such payment or perform any such other act on Tenant's part to be made or performed as in this Lease provided. All sums so paid by Landlord and all necessary incidental costs, together with interest thereon at the Lease Rate form the date of such payment by Landlord until the date paid in full by Tenant, shall be payable to Landlord within

ten (10) days of demand. Tenant covenants to pay any such sums, and Landlord shall have (in addition to any other right or remedy of Landlord) the same rights and remedies in the event of the nonpayment thereof by Tenant as in the case of default by Tenant in the payment of Rent.

ARTICLE 32
NOTICES

Unless otherwise specified, all notices which Landlord or Tenant may be required or may desire to be served on the other shall be in writing and may be served, as an alternative to personal service, by mailing the same by registered or certified mail, return receipt requested, postage prepaid, or by "Federal Express" or other overnight air courier service, free prepaid, addressed to Landlord at the address for Landlord set forth in the Lease Summary, and to Tenant at the address for Tenant set forth in the Lease Summary, or addressed to such other address or addresses as either Landlord or Tenant may from time to time designate to the other in writing. Any such notice shall only be deemed to have been given for purposes of this Lease at the time such writing is personally delivered or, in the case of certified or registered mailing thereof, upon actual receipt or the date of refusal to accept such mailing, or on the first business day after deposit with an overnight air courier service.

ARTICLE 33
QUIET ENJOYMENT

Landlord covenants and agrees that Tenant, upon paying the Rent and all other charges herein provided for and observing and keeping the covenants, agreements and conditions of this Lease on its part to be observed and kept, shall lawfully and quietly hold, occupy and enjoy the Premises during the term of this Lease without hindrance or molestation of anyone lawfully claiming by, through or under Landlord, subject, however, to the matters set forth in this Lease. Landlord shall not be liable for any acts of other tenants, their employees, invitees or customers or any other third party.

ARTICLE 34
ESTOPPEL CERTIFICATE

Tenant agrees at any time and from time to time upon not less than ten (10) business days' prior notice by Landlord, to execute, acknowledge and deliver to Landlord a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same are in full force and effect as modified and stating the modifications), the dates to which the Fixed Rent, Additional Rent, and other charges have been paid in advance, if any, stating whether or not to the best knowledge of the signer of any such certificate, Landlord is in default in performance of any covenant, agreement or condition contained in this Lease and, if so, specifying each such default of which the signer may have knowledge, and setting forth such other information as Landlord may reasonably request; it being intended that any such statement delivered pursuant hereto may be relied upon by any prospective purchaser of the Premises or any interest of Landlord therein, or any prospective mortgagee thereof or any prospective assignee of any mortgagee thereof or any prospective master or ground lessor. In the event that Tenant fails to return such estoppel certificate in

accordance with the above, then Tenant shall be in default hereunder pursuant to Article 22; and at Landlord's option, the copy of the estoppel certificate as delivered to Tenant for execution shall be deemed to be correct and may be relied upon.

ARTICLE 35
AUTHORITY

If Tenant is a corporation, each individual executing this Lease on behalf of said corporation represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of such corporation in accordance with a duly adopted resolution of the Board of Directors of such corporation or in accordance with the bylaws of such corporation, and that this Lease is binding upon such corporation in accordance with its terms. If Tenant is a partnership or joint venture, each individual executing this Lease on behalf of said partnership or joint venture represents and warrants that he or she is duly authorized to executive and deliver this Lease on behalf of such partnership or joint venture in accordance wit the partnership or joint venture agreement of such partnership or joint venture, and that this Lease is binding upon such partnership or joint venture in accordance with its terms. If Landlord is a limited liability company, each individual executing this Lease on behalf of such entity represents that he or she is duly authorized to execute and deliver this Lease on behalf of such entity in accordance with the articles of organization and the operating agreement of such entity and that this Lease is binding on such entity in accordance with their terms.

ARTICLE 36
BROKERS

Landlord and Tenant each hereby represent and warrant to the other that it has had no dealings with any real estate broker, agent or finder in connection with this Lease, and knows of no real estate broker, agent or finder who is entitled to a commission or finder's fee in connection with this Lease. Landlord and Tenant shall each bear the cost of their respective brokers. Landlord and Tenant hereby each indemnify, hold harmless, and shall defend the other against either's breach of its representation and warranty.

ARTICLE 37
ACCORD AND SATISFACTION

37.1 Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lesser amount than the Rent herein stipulated shall be deemed to be other than on account of the earliest stipulated Rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy in the Lease provided.

37.2 Application of Payments. In the event Tenant submits a payment of less than the total combined amount of all payments required under this Lease, then Landlord shall have the option to credit said payment towards any of said items it so desires, notwithstanding any specification of Tenant.

ARTICLE 38
[RESERVED – NO TEXT]

ARTICLE 39
[RESERVED – NO TEXT]

ARTICLE 40
HAZARDOUS OR INFECTIOUS SUBSTANCES

40.1 Covenants of Tenant Regarding Hazardous Substances. Tenant represents, warrants and covenants as follows:

(a) No "Hazardous Substance" (as defined hereinbelow) will be brought upon, used kept or stored in, on, about or under the Premises by Tenant, its agents, representatives, employees, contractors or invitees, without the prior written consent of Landlord satisfaction that such Hazardous Substance is necessary or useful to Tenant's business and will be brought upon, used, kept and stored in a manner which complies with all "Environmental, Health and Safety Requirements" (as defined hereinbelow) regulating such Hazardous substance, and with the highest standards prevailing in the industry for such Hazardous Substance). Notwithstanding this restriction, Tenant may bring, use, keep, and store in the Premises merchandise and supplies customarily used and found in other automobile dealership operations that would otherwise fall within the description of Hazardous Substances, provided that any such items that would be classified as a Hazardous Substance may be brought upon the Premises, and used, kept, and stored only in a manner which complies with all Environmental, Health and Safety Requirements and with the highest standards prevailing in the industry for such Hazardous Substance.

(b) If any Hazardous Substance is brought upon, used, kept or stored in, on, about or under the Premises by Tenant, then Tenant shall do so in a manner which complies with all Environmental, Health and Safety Requirements regulating such Hazardous Substance and with the highest standards prevailing in the industry for such Hazardous Substance. Without limiting any of the other obligations of Tenant set forth in this Lease, Tenant shall, at its own cost and expense, procure, maintain in effect and comply with all conditions and requirements of any and all permits, licenses and other governmental and regulatory approvals or authorizations required under any Environmental, Health or Safety Requirement in connection with the bringing, use, keeping and storage of such Hazardous Substance in, on, about or under the Premises. Tenant shall submit to Landlord copies of all such permits, licenses, or other governmental or regulatory approvals or authorizations within five (5) business days of its receipt thereof.

(c) Upon written demand by Landlord in any instance in which the presence of any Hazardous Substance on the Premises was caused or permitted by Tenant without Landlord's prior written consent, Tenant shall promptly remove and dispose of the same at Tenant's sole cost and expense and in compliance with all applicable Environmental, Health and Safety Requirements. If the presence of any Hazardous Substance in, on, about or under the Premises caused or permitted by Tenant results in an contamination of the Premises or the surrounding environment, Tenant shall promptly take all actions at its sole cost and expense as are necessary

to return the Premises or the surrounding environment to the condition existing prior to such contamination (the "Remediation"); provided, however, that Tenant shall not undertake any Remediation without first providing Landlord with written notice thereof and obtaining Landlord's approval therefor. Tenant shall carry out any remediation in a manner which will minimize the impact on the businesses and residences occupying adjacent lands and in a manner which complies with all Environmental, Health and Safety Requirements. Further, Tenant shall not undertake any Remediation, nor enter into any settlement agreement, consent decree or other compromise with respect to any claims relating to any Hazardous Substance in any way connected with the Premises without first notifying Landlord of Tenant's intention to do so and affording Landlord ample opportunity to appear, intervene or otherwise appropriately assert and protect Landlord's interest with respect thereto.

(d) Upon the expiration or early termination of the term of this Lease, Tenant shall cause to be removed from the Premises all Hazardous Substances brought upon, used, kept or stored in, on, about or under the Premises by Tenant, as well as all receptacles or containers therefor, and shall cause such Hazardous Substances and such receptacles or containers to be stored, treated, transported and/or disposed of in compliance with all applicable Environmental, Health and Safety Requirements. Any Hazardous Substances or receptacles or container therefor which Tenant causes to be removed from the Premises shall be removed solely by duly licensed haulers and transported to and disposed of at duly licensed facilities for the final disposal of such Hazardous Substances and receptacles or containers therefor. Tenant shall deliver to Landlord copies of any and all manifests and other documentation relating to the removal, storage, treatment, transportation and/or disposal of any Hazardous Substances or receptacles or containers therefor reflecting the legal and proper removal, storage, treatment, transportation and/or disposal thereof. Tenant shall, at its sole cost and expense, repair any damage to the Premises resulting from Tenant's removal of such Hazardous Substances and receptacles or containers thereof. Tenant's obligation to pay Fixed Rent and all other charges shall continue until such removal by Tenant has been completed to Landlord's satisfaction, notwithstanding the expiration or early termination of the term of this Lease.

(e) Tenant shall, from time to time, execute such affidavits, certificates or other documents as may be requested by Landlord concerning Tenant's best knowledge and belief regarding the presence of Hazardous Substances in, on, about or under the Premises. Further, each year throughout the term of this Lease, on the anniversary date hereof, Tenant shall deliver to Landlord a letter stating that during the preceding year Tenant has complied with the provisions of this Article 40 or, if Tenant has not so complied, a letter setting forth the details concerning its noncompliance.

(f) Tenant shall notify Landlord in writing immediately upon becoming aware of: (i) any enforcement, cleanup, remediation or other action threatened, instituted or completed by any governmental or regulatory agency or private person with respect to the Premises relating to Hazardous Substances; (ii) any claim threatened or made by any person against Tenant or the Premises for personal injury, property damage, other losses, contribution, cost recovery, compensation or any other matter with respect to the Premises relating to Hazardous Substances; (iii) any reports made by or to any governmental or regulatory agency with respect to the Premises relating to Hazardous Substances, including without limitation any complaints, notices

or asserted violations in connection therewith; and (iv) any other information with respect to the Premises relating to Hazardous Substances. Further, Tenant shall also supply to Landlord as promptly as possible, and in any event within five (5) business days after Tenant first receives or sends the same, copies of all claims, reports, complaints, notices, warnings, asserted violations or other documents relating in any way to the foregoing.

(g) Landlord and its agents and representatives shall have the right to communicate, verbally or in writing, with any governmental or regulatory agency or any environmental consultant on any matter with respect to the Premises relating to Hazardous Substances. Landlord shall be entitled to copies of any and all notices, inspection reports or other documents issued by or to any such governmental or regulatory agency or consultant with respect to the Premises relating to Hazardous Substances.

40.2 Indemnification. If Tenant breaches any of its covenants or obligations in this Article 40, or if the presence of Hazardous Substances on the Premises caused or permitted by Tenant results in contamination of the Premises, or if contamination of the Premises by Hazardous Substances otherwise occurs for which Tenant is legally liable to Landlord for damage resulting therefrom, or if any lender or governmental agency requires an investigation to determine whether there has been any contamination of the Premises, then Tenant shall indemnify, defend and hold harmless Landlord, any subsidiary or other affiliate of Landlord, and any director, officer, shareholder, employee, agent, attorney or partner of any of the foregoing, from any and all claims, damages, penalties, fines, costs, liabilities and losses (including, without limitation, diminution in value of the Premises, damages for the loss or restriction on use of rental or useable space or of any other amenity of the Premises, damages arising from any adverse impact on marketing of space in the Premises, other consequential damages and sums paid in settlement of clams, attorneys' fees, consultants' fees and experts' fees) which arise during or after the term of this lease as a result of such contamination. This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any governmental or regulatory agency or any private person due to the presence of Hazardous Substances at the Premises or in the soil or groundwater in, on, about or under the Premises.

40.3 Inspection. If Tenant breaches its covenants or obligations in this Article 40, or if the presence of Hazardous Substances on the Premises caused or permitted by Tenant results in contamination of the Premises, or if contamination of the Premises by Hazardous Substances otherwise occurs for which Tenant is legally liable to Landlord for damage resulting therefrom, or if Landlord, any lender or governmental agency requires an investigation to determine whether there has been any violation of this Article 40, then, Landlord and its agents and representatives shall have the right, at any reasonable time and form time to time during the term of this Lease, to enter upon the Premises to perform monitoring, testing or other analyses, and to review any and all applicable documents, notices, correspondence or other materials which may be in the possession of Tenant. Further, Tenant shall be obligated to provide Landlord, within five (5) business days of Landlord's request therefor, with copies of all such applicable documents which may be in Tenant's possession but are not at the Premises. All costs and expenses reasonably incurred by Landlord in connection therewith shall become due and payable by Tenant upon Landlord's presentation to Tenant of an invoice therefor.

40.4 Definition of Hazardous Substance. As used herein, the term "Hazardous Substance" shall mean any substance, material, waste, contaminant or pollutant determined by any local, regional, state or federal governmental agency, court, judicial or quasi-judicial body or legislative or quasi-legislative body pursuant to any Environmental, Health and Safety Requirement to be hazardous, toxic, infectious, radioactive, ignitable or flammable, corrosive, persistent or bioaccumulative, explosive, reactive or otherwise dangerous, including but not limited to crude oil and its fractions, including petroleum and petroleum products, gasoline and waste oil.

40.5 Definition of Environmental, Health and Safety Requirement. As used herein, the term "Environmental, Health and Safety Requirement" shall mean any law, statute, ordinance, rule, regulation, order, judgment or decree promulgated by any local, regional, state or federal governmental agency, court, judicial or quasi-judicial body or legislative or quasi-legislative body which relates to matters of the environment, health, industrial hygiene or safety.

40.6 Any and all liabilities arising from the manufacturing, generation, handling, use, storage, treatment, transportation or disposal of Hazardous Substances performed or caused to be performed by Tenant, or its agents, representatives, employees, contractors or invitees, shall at all times remain the sole responsibility of Tenant and Tenant shall retain any and all liabilities arising therefrom. Notwithstanding anything to the contrary set forth in this Article 40, any act by Landlord or its agents or representatives hereunder shall not constitute an assumption by Landlord of any obligations, duties, responsibilities or liabilities of Tenant hereunder, including without limitation Tenant's compliance with any Environmental, Health or Safety Requirement, which Tenant shall retain under all circumstances and shall indemnify, defend and hold harmless Landlord as provided herein. Further, notwithstanding anything to the contrary set forth in this Article 40, even though Hazardous Substances removed, transported and disposed of by Tenant may originate from the Premises, Tenant shall remain fully liable for their removal, transportation and disposal and shall indemnify, defend and hold harmless Landlord as provided herein.

40.7 Tenant's Liability. The representations, warranties, covenants, agreements and indemnities of Tenant set forth in this Article 40 shall survive the expiration or earlier termination of this Lease and shall not be affected by any investigation, or information obtained as a result of any investigation, by or on behalf of Landlord or any prospective lessee.

ARTICLE 41
TITLE

Landlord is aware of no claims, rights, easements, or restrictions governing the Premises except for those listed on the Preliminary Title Report No. _____ issued by _____ dated _____ (the "Title Report"), a copy of which has been provided to Tenant. Landlord shall have no obligation to change, remove, alter, or add any items to record title to the Premises (except for a short form memorandum of lease as provide in Article 43, below). Landlord shall be responsible for the cost of a CLTA leasehold policy of title insurance insuring the possessory interest of the Tenant in the Premises in the policy amount of Fifty

Dollars ($50) multiplied by the number of square feet in the Premises, which policy shall be subject to all items reflected on the Title Report, and any other such items caused to be of record by or on behalf of Tenant. If Tenant desires to insure the value of any improvements constructed or installed by the Tenant on the Premises or to obtain an ALTA policy insuring its possessory interest in the Premises, Tenant shall be responsible for the incremental premium cost and the cost of any additional survey (or supplement to Landlord's existing survey).

ARTICLE 42
MEMORANDUM OF LEASE

Tenant agrees to execute and deliver to Landlord a short form memorandum of this Lease which Landlord may record at Landlord's sole cost and expense. Upon recordation, the Landlord shall deliver a recorder-stamped copy of such memorandum to Tenant. Upon the expiration or earlier termination of this Lease, Landlord shall record at Landlord's sole cost and expense a termination or cancellation of such memorandum or such other documents reasonably required by Landlord to remove such Short Form Memorandum from record title.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the Execution Date.

LANDLORD

El Monte Community Redevelopment Agency

By: _____

APPROVED AS TO FORM:

By:_____
Agency General Counsel

TENANT:

By: _____

By: _____

EXHIBIT "A-1"

LEGAL DESCRIPTION OF PREMISES
(TOD Replacement Property)

EXHIBIT "A-2"

LEGAL DESCRIPTION OF TENANT ADJACENT PROPERTY

EXHIBIT "B"

BUILDING DESCRIPTION

SEP 5 - 2006

PRESENTED TO EL MONTE COMMUNITY REDEVELOPMENT AGENCY
☐ APPROVED ☐ DENIED ☐ PULLED ☐ RECEIVE AND FILE ☐ CONTINUED
☐ REFERRED TO
SECRETARY TO THE BOARD OF DIRECTORS

EL MONTE COMMUNITY
REDEVELOPMENT AGENCY

NOTICE OF PUBLIC HEARING FOR APPROVAL OF FINAL FORM OF RESTATED OWNER PARTICIPATION AGREEMENT (SANTA ANITA AVENUE – GUNDERSON AUTOMOTIVE GROUP)

TO ALL INTERESTED AGENCIES, GROUPS AND PERSONS: The purpose of this notice is to identify actions to be taken by El Monte Community Redevelopment Agency (the "Agency") relating to the Restated Owner Participation Agreement (the "Restated OPA") (Santa Anita Avenue – Gunderson Automotive Group).

The Restated OPA with the Gunderson Automotive Group amends certain operating covenants and lease provisions with respect to the Agency owned lands included within the site of the Hyundai new car dealership at 3342 Santa Anita Avenue. The Agency currently owns approximately one-half of the site on which the Hyundai new car dealership operation is currently being conducted. The Restated OPA also provides for an extension of the new car retail sales and service use covenant in favor of the Agency on the lands currently occupied by Power Chevrolet. The Restated OPA also grants to the Agency an option to purchase certain property owned by the Gunderson Automotive Group, subject to the satisfaction of certain terms of condition by the Agency. Agency staff has determined that the Restated OPA shall not cause any adverse impact on the environment which has not previously been considered in the Mitigated Negative Declaration for the Hyundai new car dealership as previously certified by the City dated January 18, 2005. Accordingly, no additional review of the Restated OPA under the California Environmental Quality Act ("CEQA") is required at this time. The Restated OPA is on file in the office of the Agency, 11333 Valley Boulevard, El Monte, California 91731 and is available for public examination and copying upon request, Monday through Thursday, between the hours of 7:00 AM and 5:30 PM. Interested persons may contact Mr. Eugene Moy, Redevelopment Director, at (626) 580-2197 for additional information regarding the Restated OPA.

Please take notice that on September 5, 2006, the Agency shall conduct a public hearing to consider the approval of the final terms for the Restated Owner Participation Agreement (Santa Anita Avenue – Gunderson Automotive Group):

Date:	September 5, 2006
Time:	5:00 P.M.
Place:	Administrative Conference Room – City Hall East
Address:	11333 Valley Boulevard El Monte, California

JAMES W. MUSSENDEN
Executive Director,
El Monte Community Redevelopment Agency

Publish: August 25, 2006
August 30, 2006
San Gabriel Valley Tribune

s/LORENE GUTIERREZ
CITY OF EL MONTE, CITY CLERK

EL MONTE COMMUNITY
REDEVELOPMENT AGENCY

NOTICE OF PUBLIC HEARING FOR APPROVAL OF FINAL FORM OF RESTATED OWNER PARTICIPATION AGREEMENT (SANTA ANITA AVENUE – GUNDERSON AUTOMOTIVE GROUP)

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JAMES W. MUSSENDEN
Executive Director,
El Monte Community Redevelopment Agency

Publish: August 25, 2006
August 30, 2006
San Gabriel Valley Tribune

s/LORENE GUTIERREZ
CITY OF EL MONTE, CITY CLERK

(Space below for use of County Clerk Only)

SAN GABRIEL VALLEY TRIBUNE

affiliated with
SGV Newspaper Group
1210 N. Azusa Canyon Road
West Covina, CA 91790

#7515-010.00

#429.88

PROOF OF PUBLICATION

(2015.5 C.C.P.)

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 SAN GABRIEL VALLEY TRIBUNE, a newspaper of general circulation which has been adjudicated as a newspaper of general circulation by the Superior Court of the County of Los Angeles, State of California, on the date of September 10, 1957, Case Number 684891. The notice, of which the annexed is a true printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to wit:

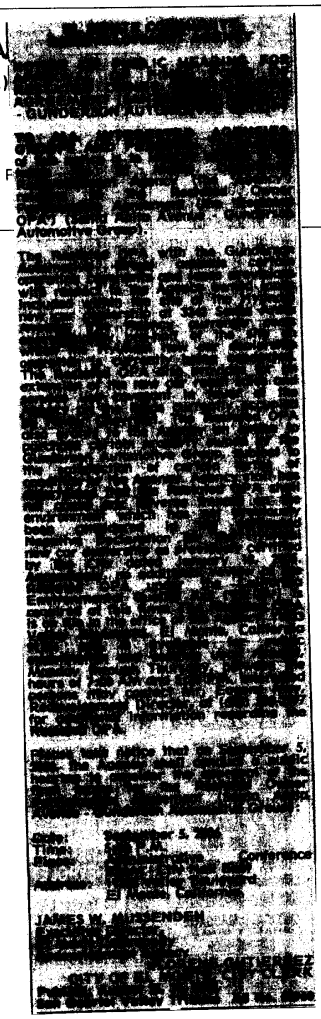
8/25,30/06

I declare under penalty of perjury that the foregoing is true and correct.

Executed at West Covina, LA Co. California
this 30 day of AUGUST, 20 06

signature

8



(Space below for use of County Clerk only)

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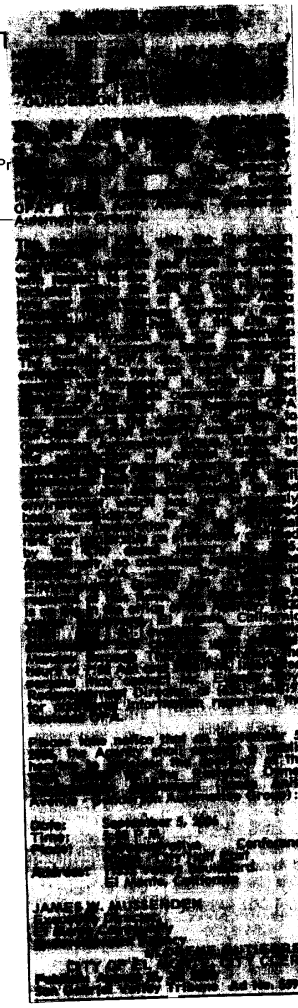
affiliated with
SGV Newspaper Group
1210 N. Azusa Canyon Road
West Covina, CA 91790

PROOF OF PUBLICAT

(2015.5 C.C.P.)



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this 30 day of AUGUST, 20 06

signature

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SAN GABRIEL VALLEY NEWSPAPER GROUP

San Gabriel Valley Tribune / Pasadena Star-News / Whittier Daily News
Highlander Newspaper

1210 N. Azusa Canyon Road, West Covina, CA 91790
626-962-8811 Fax 626-856-2750

LEGAL AD SCHEDULE

ACCOUNT NO: 1L5802016

DATE ORDERED: 08/23/06
PAGE: 1

CITY OF EL MONTE
CITY CLERK OFFICE-HELEN
11333 VALLEY BLVD

EL MONTE ,CA 91731

AD #	START	STOP	DESC	TIMES	COL	SIZE	CHARGE	NOTES	PUB
55960	08/25/06	08/30/06	EL MONTE	2	2	.57I	429.88	AFFIDAVIT	DT

PRINCIPAL CLERK (000)

7515-010.00
OK 9/19/06
CHIEF DEPUTY CITY CLERK
RECORDS MANAGER

8

SAN GABRIEL VALLEY NEWSPAPER GROUP

San Gabriel Valley Tribune / Pasadena Star-News / Whittier Daily News
Highlander Newspaper

1210 N. Azusa Canyon Road, West Covina, CA 91790
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CITY CLERK OFFICE-HELEN
11333 VALLEY BLVD

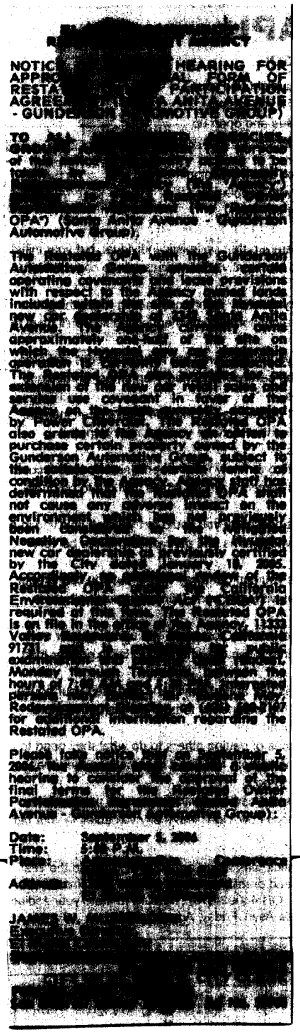
EL MONTE ,CA 91731

AD #	START	STOP	DESC	TIMES	COL	SIZE	CHARGE	NOTES	PUB
55960	08/25/06	08/30/06	EL MONTE	2	2	.57I	429.88	FIRST RUN	DT

PRINCIPAL CLERK (000)

#7515-010.00
OK 9/19/06

CHIEF DEPUTY CITY CLERK
RECORDS MANAGER



9

Lisa Mac

From: christina.valdez@sgvn.com
Sent: Wednesday, August 23, 2006 9:03 AM
To: Lisa Mac
Subject: RE: Publishing for Friday August 25, 2006

Hi Lisa,
I received your email. I will get back to you with the charges.
Have a great day!
Thank you,
Christina

---- Original Message ----
From: lmac@ci.el-monte.ca.us
To: christina.valdez@sgvn.com
Subject: RE: Publishing for Friday August 25, 2006
Date: Wed, 23 Aug 2006 08:38:32 -0700

>Hi Christina,
>
>Sorry I think I got the wrong email address. I don't know why I
>keppt thinking Christine instead of Christina. But I am resending
>the information. If you can please email me to confirmt hat you have
>received both item. I had already faxed over both items yesterday,
>but I think that an electronic would be easier for you.
>
>The first item is to be published just once on the 25th
> <<Public Hearing Sexual Offender.doc>>
>
>This 2nd one if you can please publish it twice. Once on the 25th
>and again on the 30th.
> <<notice for hyundai 08.22.06.doc>>
>
>If you have any questions please feel free to call me
>(626)580-2016
>Thanks

CITY OF EL MONTE

CITY CLERK'S OFFICE

City Clerk
LORENE GUTIERREZ

Chief Deputy City Clerk/
Records Manager
M. HELEN LOPEZ, CMC

August 22, 2006

San Gabriel Valley Tribune
P.O.Box 1259
Covina, CA 91722

FAX: (626) 856-2750

PHONE: (626) 962-8811
EXT. 2457

ATTN: Christine Valdez - Legal Dept.

Dear Christine:

Please publish the enclosed **Notice of Public Hearings two (2) times, on August 25, 2006 and August 30, 2006,** and please send the bill and proof of publication to the City Clerk's Office, 11333 Valley Boulevard, El Monte, California 91731.

Thank you.

Sincerely,

Helen Lopez / L.C.

M. Helen Lopez, CMC
Chief Deputy City Clerk/
Records Manager

EL MONTE COMMUNITY
REDEVELOPMENT AGENCY

NOTICE OF PUBLIC HEARING FOR APPROVAL OF FINAL FORM OF RESTATED OWNER PARTICIPATION AGREEMENT (SANTA ANITA AVENUE – GUNDERSON AUTOMOTIVE GROUP)

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Place:	Administrative Conference Room – City Hall East
Address:	11333 Valley Boulevard El Monte, California

JAMES W. MUSSENDEN
Executive Director,
El Monte Community Redevelopment Agency

Publish: August 25, 2006
August 30, 2006
San Gabriel Valley Tribune

s/LORENE GUTIERREZ
CITY OF EL MONTE, CITY CLERK

TRANSMISSION VERIFICATION REPORT

TIME : 08/22/2006 16:37
NAME : CITY OF EL MONTE
FAX : 16265802274
TEL : 16265802016

DATE,TIME	08/22 16:36
FAX NO./NAME	98562750
DURATION	00:01:02
PAGE(S)	02
RESULT	OK
MODE	STANDARD ECM

CITY OF EL MONTE

CITY CLERK'S OFFICE

City Clerk
LORENE GUTTIERREZ

Chief Deputy City Clerk/ Records Manager
M. HELEN LOPEZ, CMC

August 22, 2006

San Gabriel Valley Tribune
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Thank you.

Sincerely,

Helen Lopez / l.c.

M. Helen Lopez, CMC
Chief Deputy City Clerk/
Records Manager

ATTACHMENT 11 - REDEVELOPMENT NEW JOBS GRANT AGREEMENT - PONTIAC GMC SITE

EL MONTE COMMUNITY REDEVELOPMENT AGENCY

AMENDMENT NO. 1 TO REDEVELOPMENT NEW JOBS GRANT AGREEMENT (SCOTT GMC)

THIS AMENDMENT NO. 1 (herein "Amendment No. 1") to Redevelopment New Jobs Creation Grant Agreement is dated as of February 4, 2003, by and among GSL DEVELOPMENT, a California limited liability company (the "Grantee"), GUNDERSON AUTOMOTIVE GROUP, LLC, a California limited liability company, doing business as SCOTT PONTIAC GMC (the "Automobile Dealer") and the EL MONTE COMMUNITY REDEVELOPMENT AGENCY, a public body corporate and politic (the "Agency") and is entered into with respect to the following facts:

RECITALS

The Grantee, the Automobile Dealer and the Agency have previously entered into that certain agreement entitled "El Monte Community Redevelopment Agency New Jobs Creation Grant Agreement" dated as of August 6, 2002 (the "Agreement").

The Grantee has acquired the "North Parcel" as this term is defined in the Agreement.

The parties now deem it appropriate for the Grantee to consider the use and application of the "Second Grant Disbursement" as this term is defined in the Agreement, to acquire either the "South Parcel" as this term is also defined in the Agreement, or at the election of the Grantee, to acquire the "Alternate Parcel" as this term is defined in this Amendment No. 1.

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND THE MUTUAL PROMISES CONTAINED IN THIS AMENDMENT NO. 1, THE GRANTEE, THE AUTOMOBILE DEALER AND THE AGENCY, FOR THEMSELVES THEIR SUCCESSORS AND ASSIGNS HEREBY AGREE:

Section 1. The Recitals set forth above in this Amendment No. 1 are true and correct.

Section 2. The Grantee, the Automobile Dealer and the Agency acknowledge and agree that as of the date of this Amendment No. 1, the Agreement is in full force and effect and that no default has occurred thereunder.

Section 3. The definition of the term "Agency Grant" in Section 1 of the Agreement is hereby amended to read as follows:

"X "Agency Grant" means and refers to the aggregate sum of Two Million Seven Hundred Thirty Nine Thousand Dollars ($2,739,000) that the Agency will disburse to the Grantee in two (2) installments subject to the terms and conditions of this Agreement(e.g. at the time of the First Grant Disbursement: $1,369,500; and at the time of the Second Grant Disbursement: $1,369,500). The Grantee agrees that upon acceptance of the First Grant Disbursement, the Grantee shall acquire the North Parcel, and the Grantee an d the Automobile Dealer jointly and severally, agree to exercise commercially reasonably good -faith efforts thereafter to create and maintain the New Jobs at the Automobile Dealership as set forth in this Agreement. The Second Grant Disbursement shall be m ade to the Grantee at the time as provided in this Agreement to assist the Grantee to pay for a portion of the cost of acquisition of either the fee interest of the Southern Parcel by the Grantee from its owner, or in the alternative, to pay for all or a p ortion of the cost of the acquisition of the Alternate Property, as set forth in the Agreement as amended by Amendment No. 1 thereto."

Section 4. The definition of the term "Automobile Dealership" in Section 1 of the Agreement is hereby amended to read as follows:

"X "Automobile Dealership" means and refers to the new car automobile dealership to be operated by the Automobile Dealer on the Property. Upon the First Grant Disbursement, the Automobile Dealer shall operate the Automobile Dealership and occupy the North Parcel under the terms of a lease by and between the Automobile Dealer and the Grantee and occupy the South Parcel under the terms of a lease or sublease by and between the Automobile Dealer, the Grantee and/or Ethel L. Nelson, Trustee, et al., as applicable, pending the receipt by the Grantee of the Second Grant Disbursement. The Automobile Dealership, as owned

and conducted by the Automobile Dealer, shall include an automobile dealer franchise agreement by and between the Automobile Dealer a nd General Motors Corporation authorizing the Automobile Dealer to engage in the business of retail sales and service on the Property of new cars and trucks manufactured by General Motors Corporation."

Section 5. The definition of the term "Property" in Section 1 of the Agreement is hereby amended to read as follows:

"X "Property" means and refers to collectively: (A) the North Parcel and (B) at the election of the Grantee either: (i) the South Parcel or (ii) the Alternate Parcel. The Automobile Dealer shall continuously operate and maintain an Automobile Dealership on the Property and the Grantee shall reserve the Property for use and occupancy for the Automobile Dealership and one or more other automobile dealerships for the term as provided herein, except however, that in the event the Grantee may elect to acquire t he Alternate Property, then on the date of such acquisition of the Alternate Property by the Grantee, the Grantee and the Automobile Dealer shall be deemed released from their joint covenant to reserve the South Parcel for use and occupancy for the Automobile Dealership."

Section 6. The definition of the term "South Parcel Escrow" in Section 1 of the Agreement is hereby amended to read as follows:

"X "Second Grant Disbursement Escrow" means and refers to the land transfer escrow transaction by and among the Grantee, the seller of the South Parcel or the Alternate Parcel, as applicable, and the Escrow Company for the Second Grant Disbursement, as may hereafter be designated by the Grantee."

Section 7. The following definition of the term "Alternate Parcel" is hereby added to Section 1 of the Agreement to read as follows:

"X "Alternate Parcel" means and refers to a parcel (or parcels) of land situated within the territorial boundaries of a redevelopment project area administered by the Agency, which the Grantee has designated in writing to the Agency as the site on which the Automobile Dealership shall operate promptly following the close of the Second Grant Disbursement Escrow."

Section 8. Section 5(d) of the Agreement is hereby amended to strike from the text of Section 5(d) the last two sentences thereof.

Section 9. Section 5 of the Agreement, as amended by Section 8 of Amendment No. 1, above, is hereby amended to add Section 5(e) which reads as follows:

"[Section 5(e)] (e) If the conditions precedent for the Second Grant Disbursement are not satisfied by the Grantee, and the Automobile Dealer on or before December 31, 2004, the Agency shall be released from any further obligation to provide the Second Grant Disbursement to the Grantee."

Section 10. Section 7 of the Agreement is hereby amended to read as follows:

"Section 7. Second Grant Disbursement.

(a) Provided the Agency has paid the First Grant Disbursement as set forth in Section 6, then as of December 31, 2002 or as soon thereafter as may be practical, the Agency shall pay the Second Grant Disbursement to cause the Second Grant Disbursement Escrow to close when the Escrow Company for the Second Grant Disbursement Escrow is in a position to confirm that it has complied with the Agency's written disbursement instructions as set forth in Section 7(b), and the Grantee and the Automobile Dealer, as applicable, have provided the Agency with written certification that each of the following conditions are satisfied:

(1) the Grantee has given the Agency written notice of its intention to acquire either the South Parcel or the Alternate Parcel upon the close of the Second Grant Disbursement Escrow and

the Automobile Dealer has also provided the Agency with evidence reasonably satisfactory to the Executive Director that General Motors Corporation has authorized th e Automobile Dealer to operate the Automobile Dealership on the Property and that the automobile dealership franchise agreement by and between General Motors Corporation and the Automobile Dealer remains in place and is in full force and effect and that the Automobile Dealer is not in default thereunder;

(2) the Automobile Dealer has entered into a written commercial lease agreement with the Grantee relating to the South Parcel or the Alternate Parcel, as applicable (subject only to the close of the Secon d Grant Disbursement Escrow) for the use and occupancy of the South Parcel or the Alternate Parcel, as applicable, by the Automobile Dealer, as part of the site of the Automobile Dealership on terms acceptable to the Grantee and the Automobile Dealer, and the Automobile Dealer is prepared to take possession of the South Parcel or the Alternate Parcel, as applicable, from the Grantee under such lease agreement, subject only to the satisfaction of subparagraphs (1), (3), (4) and (7) of this Section 7(a) and the Second Grant Disbursement;

(3) the Grantee has entered into a real estate purchase agreement to acquire the South Parcel or the Alternate Parcel, as applicable, from the owner thereof, on terms acceptable to the Grantee, there is no default under such real estate purchase agreement and the Grantee has notified the Agency that the Grantee is prepared to accept fee title to the South Parcel or the Alternate Parcel, as applicable, subject only to satisfaction of subparagraphs (1), (2), (4) and (7) of this Section 7(a) and the receipt of the Second Grant Disbursement;

(4) the Grantee and the Automobile Dealer have executed the Notice of Grant Agreement and delivered it to the Escrow Company for recordation upon written instruction from the Agency;

(5) the Grantee has obtained sufficient funds to complete the purchase of the South Parcel or the Alternate Parcel, as applicable, subject only to the receipt of the Second Grant Disbursement;

(6) there is no material default under this Agreement;

(7) the G rantee and the Automobile Dealership, as applicable, have provided the Agency with documentation relating to any of the foregoing items as the Executive Director may reasonably request.

(b) The Agency shall transmit its written disbursement instructions addressed to the Escrow Company, together with the Notice of Grant Agreement executed on behalf of the Agency in recordable form for recordation at the close of the Second Grant Disbursement Escrow within five (5) calendar days following the Agency's rece ipt of the written certifications of the Grantee and the Automobile Dealer under Section 7(a); provided however, that the conditions precedent of Section 7(a) must be satisfied by a date not later than the date provided in Section 5(e). The Agency's writt en disbursement instructions shall identify the various documents and instruments to be obtained and/or recorded by the Escrow Company prior to the release by the Escrow Company of Agency Grant funds which it holds for the account of the Grantee. Upon its written acceptance and compliance with the disbursement instructions of the Agency, the Agency shall remit the sum of $1,369,500 as the Second Grant Disbursement in immediate funds to the Escrow Company for payment to the Grantee at the close of the Second Grant Disbursement Escrow as directed by the Agency in the disbursement instructions. If the Escrow Company cannot comply with the disbursement instructions of the Agency for the payment of the Second Grant Disbursement within five (5) calendar days fol lowing its receipt of such funds from the Agency, then the Escrow Company shall return the Second Grant Disbursement to the Agency, without further instruction from the Agency, the Grantee or the Automobile Dealer.

(c) At the close of the Second Grant Disbursement Escrow, the Grantee shall acquire fee title interest in the South Parcel or the Alternate Parcel, as applicable subject only to such exceptions to title as may be approved by the Executive Director of the Agency, and such approval shall not be unreasonably withheld, conditioned or delayed. The Executive Director shall approve the condition of title of the South Parcel or the Alternate Parcel, as applicable, within ten (10) days following receipt of the Grantee's and Automobile Dealer's certific ations under Section 7(a). For the purposes of the first sentence of this Section 7(c), the following exceptions to title shall be approved by the Executive Director:

(i) the lien created by a purchase money mortgage encumbering the South Parcel, if applicable in an original principal amount not to exceed $1,500,000 or the lien created by a purchase money mortgage lien encumbering the Alternate Parcel, if applicable, and in either case such purchase money mortgage encumbrance shall have a term of at leas t five (5) years and bear a commercially reasonable rate of interest per annum and have other terms as commercially reasonable and customary in real estate purchase financing transactions; and

(ii) the affect of other customary easements and non-monetary encumbrances on the South Parcel or the Alternate Parcel, as applicable; and

(iii) the effect of the commercial lease agreement described in Section 7(a)(2).

(d) The Grantee shall provide the Agency with a policy of title insurance which insures t hat the priority of the order of recordation of the Notice of Grant Agreement on the Second Grant Disbursement Escrow is junior only to the title matters approved by the Executive Director of the Agency under Section 7(c)(i) and (ii).

(e) The Grantee sh all pay for all costs of the Escrow Company, including title insurance premium

charges, if any, under Section 7(d), in connection with the close of the Second Grant Disbursement Escrow."

Section 11. Section 7 of the Agreement, as amended by Section 10 of this Amendment No. 1 above, is further amended to add a new Section 7(f) which reads as follows:

"[Section 7...] (f) In the event that the Grantee may in its discretion determine that the Second Grant Disbursement shall be applied to acquire the Alternate Parcel for the operation of the Automobile Dealership, the following provisions shall apply to such election of the Grant:

(i) the Grantee shall give written notice to the Agency which identifies the Alternate Parcel and references this Section 7(f);

(ii) the Alternate Parcel shall be located in a redevelopment project area administered by the Agency and shall be zoned for automotive sales and retail land uses under applicable provisions of the zoning ordinances of the City;

(iii) the Grantee shal l concurrently deliver to the Agency with its notice under (i) above, a site plan of improvement for the Alternate Parcel, and adjacent lands owned by the Grantee , the Automobile Dealer or third -party entities related to either of them, if applicable, for use and occupancy by the Automobile Dealership;

(iv) the site plan of improvement for the Alternate Parcel shall be in sufficient detail for the City Planning Department to prepare an Initial Study under the California Environmental Quality Act ("CEQA") for the improvement of the Alternate Parcel for the use and occupancy of the Automobile Dealership.

Notwithstanding any other provisions of Section 7 to the contrary, the close of the Second Grant Disbursement Escrow in the case of the Grantee's acquisition of the Alternate Parcel, shall be subject to the final certificate by the City, in its reasonably discretion, of the appropriate review under

CEQA of the improvement of the Alternate Parcel for use and occupancy of the Automobile Dealership, as evidenced by the issuance by the City of the appropriate form of a completed "Notice of Determination" or "Notice of Exemption" for the development project improvements proposed for the Alternate Parcel, as these terms are defined in CEQA."

Section 12. Section 11(e)(2), (3) and (4) of the Agreement are hereby amended to read as follows:

"[Section 11(e)…] (2) Any Transfer by the Grantee creating a lien or security interest in the South Parcel or the Alternate Parcel, as applicable, securing a loan relating to a refinancing of the purchase money mortgage of the Grantee's acquisition of such portion of the Property;

(3) Any Transfer by the Grantee creating a lien in: (A) the North Parcel or (B) the South Parcel or the Alternate Parcel, as ap plicable, or both (A) and (B), securing a loan to: (i) release and discharge an encumbrance created under (1) or (2) above; and (ii) to provide additional funds to the Grantee and/or the Automobile Dealer, as applicable, for the construction and improveme nt of the Property for occupancy by the Automobile Dealer;

(4) Any Transfer by the Automobile Dealer creating a lien in its leasehold interests in the Property, or a portion thereof, to accommodate the installation of leasehold improvements to the Automobile Dealership and/or the operation of the Automobile Dealership, including, without limitation, "floor financing" customary within the new automobile sales industry; […]"

Section 13. Section 12 of the Agreement is hereby amended to read as follows:

"Section 12. Uses of Property.

The Grantee and the Automobile Dealer acknowledge and agree for themselves, their successors, and their assigns that, from and after the First Grant Disbursement, except for the leases, rental agreement s and occupancies identified in

Section 6(c)(ii) on the North Parcel, the South Parcel for so long as the Automobile Dealer may occupy it under a lease or for so long as the Grantee may own the fee interest thereon, and/or the Alternate Parcel, as applicable, shall only be used and reserved for use and occupancy for the Automobile Dealership and for the retail sales and service of automobiles, trucks and other motor vehicles by persons or businesses conducted on the Property who are "automobile dealers", as this term is defined in the California Vehicle Code. This use restriction shall apply, in the case of the Property, until the fifteenth (15th) anniversary following the date of close of the North Parcel Escrow and the recordation of the Notice of Redevelopment New Jobs Grant Agreement; provided however that is the Second Grant Disbursement is used and applied at the election of the Grantee to acquire the Alternate Parcel, then the South Parcel shall be deemed released from the redevelopment property use covenant of this Section 12.

The provisions of Section 12 run with the Property as a community redevelopment covenant, until the fifteenth (15th) anniversary following the date of recordation of the Notice of Redevelopment New Jobs Grant Agreement affecting the North Parcel."

Section 14. Section 14(g)(2) of the Agreement is hereby amended to read as follows:

"(2) the principal amount of such proposed loan under Section 11(e)(2) does not cause the loan -to-value ratio of the South Parcel or the Alternate Parcel, as applicable, to exceed 60% based upon the proposed lender's approved written appraisal report;"

Section 15. This Amendment No. 1 shall take effect from and after the date of its approval by the governing board of the Agency and execution by the Grantee, the Automobile Dealer and the Agency.

Section 16. This Amendment No. 1 may be executed by the parties in duplicate originals, each of which shall be considered an original, but all of which together shall constitute one and the same instrument.

Section 17. The agreements contained herein shall not be construed in favor of or against any party, but shall be construed as if all parties prepared this Amendment No. 1.

Section 18. The Agreement, as amended by this Amendme nt No. 1, constitutes the entire agreement between the parties hereto. The Agreement, as amended, supersedes all prior negotiations, discussions and previous agreements between the parties concerning the subject matters covered therein. The parties inten d the Agreement, as amended, to be the final expression of their agreement with respect to the subjects covered therein and a complete and exclusive statement of such terms.

Section 19. No modification, waiver, amendment, discharge, change or alteration of the Agreement, as amended, is valid, unless in writing and signed by each of the parties hereto.

This Amendment No. 1 (Redevelopment New Jobs Grant Agreement: Scott GMC) may be executed by the parties in counterpart.

GRANTEE

GSL Development, a California limited liability company

Date: 2/25/03

By: _____
Scott Gunderson
Its: Managing Member

AUTOMOBILE DEALER

Gunderson Auto Group, LLC, a California limited liability company

Date: 2/25/03

By: _____
Scott Gunderson
Its: Managing Member

AGENCY

El Monte Community Redevelopment Agency

Date: 2/20/03

By: Rachel Matta
Chairperson

By: _____
Executive Director

Approved As To Form:

2-26-2003
Agency Special Counsel

(APPROVED BY CRA 2/4/03)

EXECUTED
ORIGINALS

EL MONTE COMMUNITY REDEVELOPMENT AGENCY

REDEVELOPMENT NEW JOBS GRANT AGREEMENT

THIS REDEVELOPMENT NEW JOBS GRANT AGREEMENT (the "Agreement") is dated as of August 6, 2002, by and between GSL DEVELOPMENT, a California limited liability company (the "Grantee"), GUNDERSON AUTOMOTIVE GROUP, LLC, a California limited liability company, doing business as SCOTT PONTIAC GMC (the "Automobile Dealer") and the EL MONTE COMMUNITY REDEVELOPMENT AGENCY, a public body, corporate and politic (the "Agency"), is entered into with respect to the following facts:

RECITALS

The Grantee and the Automobile Dealer represent to the Agency that upon their acquisition of the North Parcel (as defined hereinafter), they will both exercise commercially reasonable good-faith efforts to retain and create at least thirty five (35) new full-time equivalent jobs or positions (the "New Jobs") at the Automobile Dealership (as defined hereinafter), within four (4) years following the date of the First Grant Disbursement (as defined hereinafter) and that these thirty five (35) New Jobs shall remain in existence at the Automobile Dealership until, at least, the sixth (6th) anniversary of the date of the First Grant Disbursement.

The Grantee, the Automobile Dealer and the Agency enter into this Agreement to implement the Redevelopment Plan for the El Monte Center Redevelopment Project Area as amended ("Redevelopment Plan"), as authorized under Health and Safety Code Section 33339.

NOW THEREFORE IN CONSIDERATION OF THE PREMISES AND THE MUTUAL PROMISES CONTAINED HEREIN, THE GRANTEE, THE AUTOMOBILE DEALER AND THE AGENCY, FOR THEMSELVES AND THEIR SUCCESSORS AND ASSIGNS, AGREE:

Section 1. Defined Terms. In addition to the definitions of terms set forth in the Recitals or in other sections of this Agreement certain words and phrases set forth below are used in this Agreement as defined terms:

X "Agency Grant" means and refers to the aggregate sum of Two Million Seven Hundred Thirty Nine Thousand Dollars

($2,739,000) that the Agency will disburse to the Grantee in two (2) installments subject to the terms and conditions of this Agreement(e.g. at the time of the First Grant Disbursement: $1,369,500; and at the time of the Second Grant Disbursement: $1,369,500). The Grantee agrees that upon acceptance of the First Grant Disbursement, the Grantee shall acquire the North Parcel, and the Grantee and the Automobile Dealer jointly and severally, agree to exercise commercially reasonably good-faith efforts thereafter to create and maintain the New Jobs at the Automobile Dealership as set forth in this Agreement. The Second Grant Disbursement shall be made to the Grantee at the time as provided in this Agreement to assist the Grantee to pay for a portion of acquisition of the Southern Parcel by the Grantee from its owner, as set forth in this Agreement.

X "Automobile Dealership" means and refers to the new car automobile dealership to be operated by the Automobile Dealer on the Property. Upon the First Grant Disbursement, the Automobile Dealer shall operate the Automobile Dealership and occupy the North Parcel under the terms of a lease with the Grantee and occupy the South Parcel under the terms of a lease with Ethel L. Nelson, Trustee, et al., pending the receipt by the Grantee of the Second Grant Disbursement. The Grantee has provided the Agency with a full and complete copy of such lease. The Automobile Dealership, as owned and conducted by the Automobile Dealer, shall include an automobile dealer franchise agreement by and between the Automobile Dealer and General Motors Corporation authorizing the Automobile Dealer to engage in the business of retail sales and service on the Property of new cars and trucks manufactured by General Motors Corporation.

X "Escrow Company" means and refers to the escrow company nominated by the Grantee as the escrow holder for the acquisition and transfer of the North Parcel. The Escrow Company shall also serve as the fiscal agent to the Agency for the payment of the First Grant Disbursement to the Grantee and the recordation and exchange of the Notice of Grant Agreement and related documents, as set forth in Section 6. The Escrow Company for the First Grant Disbursement shall be First Southwestern Title Company, or

such successor escrow holder acceptable to the Grantee. The parties shall mutually agree and designate the escrow holder to serve as the Escrow Company for the Second Grant Disbursement to the Grantee and the recordation and exchange of the related documents as set forth in Section 7.

X "First Grant Disbursement" means and refers to the disbursement by the Agency of a portion of the Grant to the Grantee in the amount of One Million Three Hundred Sixty Nine Thousand Five Hundred Dollars ($1,369,500). The First Grant Disbursement shall occur when the Grantee and the Automobile Dealer, as applicable, have satisfied the conditions set forth in Section 6.

X "Full-Time Equivalent Employment Position" means and refers to a single employment position or the aggregation of multiple employment positions that meet or exceed both of the following requirements:

(i) the position is assigned to work (or is eligible to work) at the Automobile Dealership for at least one thousand seven hundred (1,700) hours per year;

(ii) the position exists at the Automobile Dealership as of May 31, 1999;

X "New Job" means and refers to one of the thirty five (35) New Jobs to be retained and/or created, and thereafter maintained at the Automobile Dealership as provided in this Grant Agreement.

X "New Jobs" refer to an aggregate number of not less than thirty five (35) new Full-Time Equivalent Employment Positions as retained and/or created at the Automobile Dealership from and after May 31, 1999, within the time periods set forth in Section 13, and thereafter maintained until the sixth (6th) anniversary following the First Grant Disbursement. The number of New Jobs which may exist at the Automobile Dealerships shall be determined by deducting the number of Full-Time Equivalent Employment Positions at the Automobile Dealership on May 31, 1999, from the number of Full-Time Equivalent Employment Positions at the

Automobile Dealership (e.g. deduct those Forty Three (43) May 31, 1999, pre-First Grant Disbursement Full-Time Employment Job Positions) from the total number of Full-Time Equivalent Employment Positions as observed on the particular anniversary date), on each of the dates set forth in Section 13(a)(i-iv).

X "North Parcel" means and refers to the lands and improvements situated at 11705-11721 Valley Boulevard, El Monte, California. The Grantee shall acquire the North Parcel from El Monte Center Partnership concurrently with the First Grant Disbursement. A legal description of the North Parcel is attached as Exhibit "A".

X "North Parcel Escrow" means and refers to the land transfer escrow transaction by and among the Grantee, the seller of the North Parcel, El Monte Center Partnership and the Escrow Company for the First Grant Disbursement (First Southwestern Title Company of California). The North Parcel Escrow has previously been "opened" by the Grantee and El Monte Center Partnership. The Agency is not a party to the North Parcel Escrow.

X "Notice of Grant Agreement" means and refers to the memorandum of agreement in recordable form that shall be executed by the Grantee, the Automobile Dealer and the Agency and recorded against the Property on the date of the Grant Disbursement. The form of the Notice of Grant Agreement is attached as Exhibit "C".

X "Project" means and refers to the retention of the Automobile Dealership in the City and the creation of the New Jobs at the Automobile Dealership. A detailed description of the functional elements of the Project is set forth in the Scope of the Project attached as Exhibit "E".

X "Property" means and refers to collectively the North Parcel and the South Parcel. The Automobile Dealer shall operate and maintain an Automobile Dealership on the Property and the Grantee shall reserve the Property for use and occupancy for the Automobile Dealership and one or more other automobile dealerships for the term as provided herein.

X "Second Grant Disbursement" means and refers to the disbursement by the Agency of a portion of the Grant to the Grantee in an amount of One Million Three Hundred Sixty Nine Thousand Five Hundred Dollars ($1,369,500). The Second Grant Disbursement shall occur when the conditions set forth in Section 7 have been satisfied.

X "South Parcel" means and refers to the lands and improvements situated at 11640-11710 Valley Boulevard, El Monte, California. The Grantee shall acquire the South Parcel from Ethel L. Nelson, Trustee, et al., concurrently with the Second Grant Disbursement. A legal description of the South Parcel is attached as Exhibit "B".

X "South Parcel Escrow" means and refers to the land transfer escrow transaction by and among the Grantee, the seller of the South Parcel, Ethel L. Nelson, Trustee, et al., and the Escrow Company for the Second Grant Disbursement, as may hereafter be designated by the Grantee. The Agency shall not be a party to the South Parcel Escrow.

Section 2. Effective Date of Agreement. This Grant Agreement will take effect following its approval by the governing board of the Agency and the execution of this Agreement by the authorized officers of the Agency, the Grantee and the Automobile Dealer and the delivery by the Grantee and the Automobile Dealer to the Agency of evidence of the existence, organization and authority of both of them to enter into this Agreement in a form reasonably satisfactory to the Executive Director of the Agency.

Section 3. Parties to the Agreement.

(a) The Agency is a community redevelopment agency under the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000, et seq.) The principal office of the Agency is located at 11333 Valley Boulevard, El Monte, California.

(b) The Grantee is GSL Development, a California limited liability company.

(c) The Automobile Dealer is Gunderson Auto Group, LLC, a California limited liability company.

(d) At the time of the execution of this Agreement, the Grantee and the Automobile Dealer are under common ownership. The principal office and mailing address of the Grantee and the Automobile Dealer for purposes of this Agreement is:

Scott Gunderson
11710 Valley Boulevard
El Monte, California 91731

(e) The City of El Monte is not a party to this Agreement and is in no way bound by any provision of this Agreement.

(f) Neither the Escrow Company under the North Parcel Escrow or the Escrow Company under the South Parcel Escrow are, or shall be parties to this Agreement.

Section 4. Benefit to the Redevelopment Project Area. The Agency determined that providing the Agency Grant to the Grantee will induce the Automobile Dealer to maintain the Automobile Dealership in the City which will thereby assist in the elimination and spread of blight in the El Monte Center Redevelopment Project Area as amended (the "Redevelopment Project Area"), result in the creation of the New Jobs and foster the implementation of the Redevelopment Plan. Additionally, the Agency has determined that the Grantee and the Automobile Dealer possess the expertise and resources necessary to achieve objectives set forth in this Agreement and to best assist the Agency in implementing the Redevelopment Plan.

Section 5. Agency Grant.

(a) Subject to the terms and conditions of this Agreement, the Agency hereby agrees to provide the Agency Grant in support of the Project and the Agency hereby reserves and makes available for the period of time set forth in this Agreement the sum of Two Million Seven Hundred Thirty Nine Thousand Dollars ($2,739,000) for disbursement to the Grantee as the Agency Grant under the First Grant Disbursement and the Second Grant Disbursement, respectively, as set forth in Section 6 and Section 7 of this Agreement.

(b) Upon acceptance of the First Grant Disbursement by the Grantee, the Grantee and the Automobile Dealer shall exercise commercially reasonable good-faith efforts to create and thereafter maintain the New Jobs at the Automobile Dealership, as set forth in Section 13, and the Grantee and the Automobile Dealer shall comply with all of the other terms and conditions of this Agreement.

(c) The Agency has previously remitted the sum of Fifty Thousand Dollars ($50,000) to the Escrow Company under the North Parcel Escrow. The Grantee hereby acknowledges the disbursement of this amount by the Agency as part of the First Grant Disbursement.

(d) Except as provided in Section 5(c), the proceeds of the Agency Grant shall be disbursed by the Agency to the Grantee (e.g.: the First Grant Disbursement and the Second Grant Disbursement) upon the satisfaction by the Grantee and the Automobile Dealer, as applicable, of the conditions precedent set forth in Section 6 and Section 7, as applicable; provided however, that the conditions precedent for the payment of the remaining balance of the First Grant Disbursement shall have been satisfied by the Grantee and the Automobile Dealer by a date not later than December 31, 2002, or such later date, not to exceed ninety (90) additional days, as the Executive Director of the Agency may approve, and such approval shall not be unreasonably withheld, conditioned or delayed. If the conditions precedent for the payment of the remaining balance of the First Grant Disbursement are not satisfied by the Grantee and the Automobile Dealer, as applicable, on or before December 31, 2002 (or such later time as previously approved by the Executive Director of the Agency), except for a reason related to the fault of the Agency, then the Grantee shall repay the Agency the sum of Fifty Thousand Dollars ($50,000) and upon the Agency's receipt of such amount, the parties to this Agreement shall be mutually released from any further obligation or liability under this Agreement. Provided the First Grant Disbursement has occurred, and thereafter the Grantee and the Automobile Dealer are not in material default hereunder, the conditions precedent to the Second Grant Disbursement shall have been satisfied by December 31, 2003, or such later date, not to exceed ninety (90) additional days, as the Executive Director of the Agency may approve, and such approval shall not be unreasonably withheld, conditioned or delayed. If the

conditions precedent for the Second Grant Disbursement are not satisfied by the Grantee, and the Automobile Dealer on or before December 31, 2003 (or such later time as previously approved by the Executive Director of the Agency), the Agency shall be released from any further obligation to provide the Second Grant Disbursement to the Grantee.

Section 6. First Grant Disbursement.

(a) The Agency shall pay the First Grant Disbursement (less as a credit the amount indicated in Section 5(c)), to cause the North Parcel Escrow to close when the Escrow Company for the North Parcel Escrow is in a position to confirm that it has complied with the Agency's written disbursement instructions as set forth in Section 6(b), and the Grantee and the Automobile Dealer, as applicable, provided the Agency with written certification that each of the following conditions are satisfied:

(1) the Automobile Dealer has provided the Agency with evidence reasonably satisfactory to the Executive Director that General Motors Corporation has authorized the Automobile Dealer to operate the Automobile Dealership on the Property and that the automobile dealership franchise agreement by and between General Motors Corporation and the Automobile Dealer is in full force and effect and that the Automobile Dealer is not in default thereunder;

(2) the Automobile Dealer has entered into a written commercial lease agreement with the Grantee relating to the North Parcel (subject only to the close of the North Parcel Escrow) for the use and occupancy of the North Parcel by the Automobile Dealer, as the site of the Automobile Dealership on terms acceptable to the Grantee and the Automobile Dealer, and the Automobile Dealer is prepared to take possession of the North Parcel from the Grantee under such lease agreement, subject only to the satisfaction of subparagraphs (1), (3), (4) and (7) of this Section 6(a) and the First Grant Disbursement;

(3) the Grantee has entered into a real estate purchase agreement to acquire the North Parcel on terms acceptable to the Grantee, there is no default under such real estate purchase agreement and the Grantee has notified the Agency that the Grantee is prepared to accept fee title to the

North Parcel subject only to satisfaction of subparagraphs (1), (2), (4) and (7) of this Section 6(a) and the receipt of the First Grant Disbursement;

(4) the Grantee and the Automobile Dealer have executed the Notice of Grant Agreement and delivered it to the Escrow Company for recordation upon written instruction from the Agency;

(5) the Grantee has obtained sufficient funds to complete the purchase of the North Parcel subject only to the receipt of the First Grant Disbursement;

(6) the Grantee and the Automobile Dealership, as applicable, have provided the Agency with documentation relating to any of the foregoing items as the Executive Director may reasonably request.

(b) The Agency shall transmit its written disbursement instructions addressed to the Escrow Company, together with the Notice of Grant Agreement executed on behalf of the Agency in recordable form, within five (5) calendar days following the Agency's receipt of the written certifications of the Grantee and the Automobile Dealer under Section 6(a); provided however, that the conditions precedent of Section 6(a) must be satisfied by the date provided in Section 5(d). The Agency's written disbursement instructions shall identify the various documents and instruments to be obtained and/or recorded by the Escrow Company prior to the release by the Escrow Company of Agency Grant funds which it holds for the account of the Grantee at the close of the North Parcel Escrow. Upon its written acceptance and compliance with the disbursement instructions of the Agency, the Agency shall remit the sum of $1,319,500 as the remaining balance of the First Grant Disbursement in immediate funds to the Escrow Company for payment to the Grantee at the close of the North Parcel Escrow as directed by the Agency in the disbursement instructions. If the Escrow Company cannot comply with the disbursement instructions of the Agency for the payment of the First Grant Disbursement within five (5) calendar days following its receipt of such funds from the Agency, then the Escrow Company shall return the First Grant Disbursement to the Agency, without further instruction from the Agency, the Grantee or the Automobile Dealer.

(c) At the close of the North Parcel Escrow, the Grantee shall acquire fee title interest in the North Parcel subject only to such exceptions to title as may be approved by the Executive Director of the Agency, and such approval shall not be unreasonably withheld, conditioned or delayed. The Executive Director shall approve the condition of title of the North Parcel within ten (10) days following the execution of the Agreement by the Agency. For the purposes of the first sentence of this Section 6(c), the following exceptions to title shall be approved by the Executive Director:

(i) the lien created by a purchase money mortgage encumbering the North Parcel in an original principal amount not to exceed $1,500,000 with a term of at least five (5) years and bearing a commercially reasonable rate of interest per annum and having other terms as commercially reasonable and customary in real estate purchase financing transactions; and

(ii) the affect of other customary easements and non-monetary encumbrances on the North Parcel; and

(iii) the effect of the commercial lease agreement described in Section 6(a)(2) and other leases, rental agreements and occupancies of persons unrelated to the Grantee or the Automobile Dealership who may be in possession on the date of the close of the North Parcel Escrow; provided however that no such lease, rental agreement or occupancy by any person unrelated to the Grantee or the Automobile Dealership shall unreasonably interfere or prevent the use by the Automobile Dealer of a substantial portion of the North Parcel for operation of the Automobile Dealership.

(d) The Grantee shall provide the Agency with a policy of title insurance which insures that the priority of the order of recordation of the Notice of Grant Agreement on the North Parcel Escrow is junior only to the title matters approved by the Executive Director of the Agency under Section 6(c)(i) and (ii).

(e) The Grantee shall pay for all costs of the Escrow Company, including title insurance premium charges, if any, under Section 6(d), in connection with the close of the North Parcel Escrow.

Section 7. Second Grant Disbursement.

(a) Provided the Agency has paid the First Grant Disbursement as set forth in Section 6, then as of December 31, 2002 or as soon thereafter as may be practical, the Agency shall pay the Second Grant Disbursement to cause the South Parcel Escrow to close when the Escrow Company for the South Parcel Escrow is in a position to confirm that it has complied with the Agency's written disbursement instructions as set forth in Section 7(b), and the Grantee and the Automobile Dealer, as applicable, have provided the Agency with written certification that each of the following conditions are satisfied:

(1) the Automobile Dealer has provided the Agency with evidence reasonably satisfactory to the Executive Director that General Motors Corporation has authorized the Automobile Dealer to operate the Automobile Dealership on the Property and that the automobile dealership franchise agreement by and between General Motors Corporation and the Automobile Dealer remains in place and is in full force and effect and that the Automobile Dealer is not in default thereunder;

(2) the Automobile Dealer has entered into a written commercial lease agreement with the Grantee relating to the South Parcel (subject only to the close of the South Parcel Escrow) for the use and occupancy of the South Parcel by the Automobile Dealer, as the site of the Automobile Dealership on terms acceptable to the Grantee and the Automobile Dealer, and the Automobile Dealer is prepared to take possession of the South Parcel from the Grantee under such lease agreement, subject only to the satisfaction of subparagraphs (1), (3), (4) and (7) of this Section 7(a) and the Second Grant Disbursement;

(3) the Grantee has entered into a real estate purchase agreement to acquire the South Parcel from Nelson Enterprises, on terms acceptable to the Grantee, there is no default under such real estate purchase agreement and the Grantee has notified the Agency that the Grantee is prepared to accept fee title to the South Parcel subject only to satisfaction of subparagraphs (1), (2), (4) and (7) of this Section 7(a) and the receipt of the Second Grant Disbursement;

(4) the Grantee and the Automobile Dealer have executed the Notice of Grant Agreement and delivered it to the Escrow Company for recordation upon written instruction from the Agency;

(5) the Grantee has obtained sufficient funds to complete the purchase of the South Parcel subject only to the receipt of the Second Grant Disbursement;

(6) there is no material default under this Agreement;

(7) the Grantee and the Automobile Dealership, as applicable, have provided the Agency with documentation relating to any of the foregoing items as the Executive Director may reasonably request.

(b) The Agency shall transmit its written disbursement instructions addressed to the Escrow Company, together with the Notice of Grant Agreement executed on behalf of the Agency in recordable form for recordation at the close of the South Parcel Escrow within five (5) calendar days following the Agency's receipt of the written certifications of the Grantee and the Automobile Dealer under Section 7(a); provided however, that the conditions precedent of Section 7(a) must be satisfied by a date not later than the date provided in Section 5(d). The Agency's written disbursement instructions shall identify the various documents and instruments to be obtained and/or recorded by the Escrow Company prior to the release by the Escrow Company of Agency Grant funds which it holds for the account of the Grantee. Upon its written acceptance and compliance with the disbursement instructions of the Agency, the Agency shall remit the sum of $1,369,500 as the Second Grant Disbursement in immediate funds to the Escrow Company for payment to the Grantee at the close of the South Parcel Escrow as directed by the Agency in the disbursement instructions. If the Escrow Company cannot comply with the disbursement instructions of the Agency for the payment of the Second Grant Disbursement within five (5) calendar days following its receipt of such funds from the Agency, then the Escrow Company shall return the Second Grant Disbursement to the Agency, without further instruction from the Agency, the Grantee or the Automobile Dealer.

(c) At the close of the South Parcel Escrow, the Grantee shall acquire fee title interest in the South Parcel subject only to such exceptions to title as may be approved by the Executive Director of the Agency, and such approval shall not be unreasonably withheld, conditioned or delayed. The Executive Director shall approve the condition of title of the South Parcel within ten (10) days following receipt of the Grantee's and Automobile Dealer's certifications under Section 7(a). For the purposes of the first sentence of this Section 7(c), the following exceptions to title shall be approved by the Executive Director:

(i) the lien created by a purchase money mortgage encumbering the South Parcel in an original principal amount not to exceed $1,500,000 with a term of at least five (5) years and bearing a commercially reasonable rate of interest per annum and having other terms as commercially reasonable and customary in real estate purchase financing transactions; and

(ii) the affect of other customary easements and non-monetary encumbrances on the South Parcel; and

(iii) the effect of the commercial lease agreement described in Section 7(a)(2).

(d) The Grantee shall provide the Agency with a policy of title insurance which insures that the priority of the order of recordation of the Notice of Grant Agreement on the South Parcel Escrow is junior only to the title matters approved by the Executive Director of the Agency under Section 7(c)(i) and (ii).

(e) The Grantee shall pay for all costs of the Escrow Company, including title insurance premium charges, if any, under Section 7(d), in connection with the close of the South Parcel Escrow.

Section 8. Warranties and Representations by the Grantee. The Grantee hereby makes the following representations, covenants and warranties and acknowledges that the execution of this Agreement by the Agency has been made in material reliance by the Agency on such covenants, representations and warranties:

(1) To the actual current knowledge of the Grantee , the Grantee is a duly organized and validly existing California corporation. The Grantee has the legal right, power and authority to enter into this Agreement and the instruments and documents referenced herein and to consummate the transactions contemplated hereby;

(2) To the actual current knowledge of the Grantee, the Grantee has taken all requisite action and obtained all requisite consents in connection with entering into this Agreement and the instruments and documents referenced herein and the consummation of the transactions contemplated hereby, and no consent of any other party is required;

(3) To the actual current knowledge of the Grantee, this Agreement is, and all agreements, instruments and documents to be executed by the Grantee pursuant to this Agreement shall be, duly executed by the Grantee and are or shall be enforceable in accordance with their respective terms;

(4) To the actual current knowledge of the Grantee, neither the execution of this Agreement nor the consummation of the transactions contemplated hereby shall result in a breach of or constitute a default under any other agreement, document, instrument or other obligation to which the Grantee is a party or under law, statute, ordinance, rule, governmental regulation or any writ, injunction, order or decree of any court or governmental body applicable to the Grantee or to the Property;

(5) For the purposes of this Section 8, the term "to the actual current knowledge of the Grantee" shall means the actual knowledge of Scott Gunderson.

All representations and warranties contained in this Section 8 are true and correct on the date of this Agreement and shall remain true on the date of the First Grant Disbursement and later on the date of the Second Grant Disbursement.

Section 9. Warranties and Representations by the Automobile Dealer. The Automobile Dealer hereby makes the

following representations, covenants and warranties and acknowledges that the execution of this Agreement by the Agency has been made in material reliance by the Agency on such covenants, representations and warranties:

(1) To the actual current knowledge of the Automobile Dealer, the Automobile Dealer is a duly organized and validly existing California limited liability company. The Automobile Dealer has the legal right, power and authority to enter into this Agreement and the instruments and documents referenced herein and to consummate the transactions contemplated hereby;

(2) To the actual current knowledge of the Automobile Dealer, the Automobile Dealer has taken all requisite action and obtained all requisite consents in connection with entering into this Agreement and the instruments and documents referenced herein and the consummation of the transactions contemplated hereby, and no consent of any other party is required;

(3) To the actual current knowledge of the Automobile Dealer, this Agreement is, and all agreements, instruments and documents to be executed by the Automobile Dealer pursuant to this Agreement shall be, duly executed by the Automobile Dealer and are or shall be enforceable in accordance with their respective terms;

(4) To the actual current knowledge of the Automobile Dealer, neither the execution of this Agreement nor the consummation of the transactions contemplated hereby shall result in a breach of or constitute a default under any other agreement, document, instrument or other obligation to which the Automobile Dealer is a party or under law, statute, ordinance, rule, governmental regulation or any writ, injunction, order or decree of any court or governmental body applicable to the Automobile Dealer or to the Property;

(5) The Automobile Dealer represents to the Agency that subject to the occurrence of the First Grant Disbursement, the Automobile Dealer shall exercise commercially reasonable good-faith efforts to retain and/or create the New Jobs at the Automobile Dealership, within four (4) years following the date of the First Grant Disbursement and that the New Jobs shall remain in existence at the Automobile Dealership until, at least, the sixth (6th) anniversary of the date of the First Grant Disbursement;

(6) For the purposes of this Section 9, the term "actual current knowledge of the Automobile Dealer" shall mean the actual knowledge of Scott Gunderson.

All representations and warranties contained in this Section 9 are true and correct on the date of this Agreement and shall remain true on the date of the First Grant Disbursement and later on the Second Grant Disbursement.

Section 10. Warranties and Representations by the Agency. The Agency hereby makes the following representations, covenants and warranties and acknowledges that the execution of this Agreement by the Grantee and the Automobile Dealer has been made in material reliance on such covenants, representations and warranties:

(1) To the actual current knowledge of the Agency, the Agency has taken all requisite action and obtained all requisite consents in connection with entering into this Agreement and the instruments and documents referenced herein and the consummation of the transactions contemplated hereby, and no consent of any other party is required;

(2) To the actual current knowledge of the Agency, this Agreement is, and all agreements, instruments and documents to be executed by the Agency pursuant to this Agreement shall be, duly executed by the Agency and are or shall be enforceable in accordance with their respective terms;

(3) To the actual current knowledge of the Agency, neither the execution of this Agreement nor the consummation

of the transactions contemplated hereby shall result in a breach of or constitute a default under any other agreement, document, instrument or other obligation to which the Agency is a party or by which may be bound applicable to the Property;

(4) For the purposes of this Section 10, the term "to the actual current knowledge of the Agency" shall mean the actual knowledge of Harold O. Johanson, Executive Director of the Agency.

All representations and warranties contained in this Section 10 are true and correct on the date of this Agreement and shall remain true on the date of the Grant Disbursement, and later on the date of the Second Grant Disbursement.

Section 11. Change in Ownership Management and Control of the Grantee and the Automobile Dealer -- Assignment and Transfer.

(a) Prior to the sixth (6th) anniversary following the close of the North Parcel Escrow, neither the Grantee or the Automobile Dealer shall assign all or any part of this Agreement or any rights hereunder with respect to the Project, without the prior written approval of the Agency, which approval shall not be unreasonably conditioned, delayed or withheld, as provided in this Section 11.

(b) As used in this Section 11, the term "Transfer" means:

(2) Any sale, assignment or conveyance, or any trust or power, or any transfer in any other mode or form, by the Grantee or the Automobile Dealer of more than a 49% interest (or series of such sales, assignments and the like which in the aggregate exceed a disposition of more than a 49% interest) in this Agreement, the Property, or the Project, or any part thereof or any interest therein or of the improvements constructed thereon; or

(2) Any sale, assignment, conveyance, or transfer in any other mode or form, of more than 49% ownership interest of the Grantee or the

Automobile Dealer (or series of such sales, assignments and the like which in the aggregate exceeded a disposition of more than a 49% interest); or

(3) Any merger, consolidation, sale or lease of all or substantially all of the assets of the Grantee or the Automobile Dealer in this Agreement, the Property or the Project (or series of such sales, assignments and the like) which has the economic effect of transferring more than a 49% interest).

(c) This Agreement is entered into solely for the purpose of assisting the Grantee and the Automobile Dealer in the creation of the New Jobs at the Automobile Dealership in accordance with the terms of this Agreement. The Grantee and the Automobile Dealer recognize that the qualifications and identities of the Grantee and the Automobile Dealer are of particular concern to the Agency, in view of:

(1) the importance of the creation of the New Jobs and the presentation of the Automobile Dealership as a business operating on the Property to the general welfare of the community; and

(2) the fact that a Transfer is for all practical purposes a transfer or disposition of the responsibilities of the Grantee and the Automobile Dealer with respect to the creation of the New Jobs and the preservation of the Automobile Dealership on the Property.

The Grantee and the Automobile Dealer further recognize and acknowledge that it is because of the qualifications and identities of the Grantee and the Automobile Dealer that the Agency is entering into this Agreement with the Grantee and the Automobile Dealer, and, as a consequence, Transfers are permitted only as provided in this Agreement.

(d) Except as expressly permitted in this Agreement, the Grantee and the Automobile Dealer represent and agree that they have not made nor shall they create or suffer to be made or created, any Transfer, either voluntarily or by operation of law that is not a "Permitted Transfer," as this term is defined in Section 11(e), without the prior written approval of the Agency,

until the sixth (6th) anniversary following the date of close of the North Parcel Escrow. Any Transfer made in contravention of this Section 11 shall be voidable at the election of the Agency and shall then be deemed to be a default under this Agreement, subject to the notice and cure provisions of Section 19.

(e) The following types of a Transfer shall be permitted and approved by the Agency, and each is referred to herein as a "Permitted Transfer":

(1) Any Transfer by the Grantee creating a lien(s) or security interest(s) in the North Parcel in an aggregate principal amount not to exceed One Million Five Hundred Thousand Dollars ($1,500,000) securing a loan relating to purchase money mortgage financing of the Grantee's acquisition of the North Parcel or the refinancing of such purchase money mortgage financing including without limitation at the time of the close of the North Parcel Escrow, an assumption by the Grantee of the loan of Cathay Bank to El Monte Center Partnership which encumbers the North Parcel, in the approximate remaining principal balance of $900,000, together with a new loan in a principal amount not to exceed $450,000 which the Grantee may obtain from Cathay Bank at the time of close of the North Parcel Escrow, or as soon thereafter as may be practicable, which loan shall the same maturity date as the loan of Cathay Bank as assumed by the Grantee;

(2) Any Transfer by the Grantee creating a lien or security interest in the South Parcel securing a loan relating to purchase money mortgage financing of the Grantee's acquisition of the South Parcel or the refinancing of such purchase money mortgage financing;

(3) Any Transfer by the Grantee creating a lien in the North Parcel or the South Parcel, or both, securing a loan to release and discharge the encumbrance created under (1) or (2) above and to provide additional funds for the construction and improvement of the Property for occupancy by the Automobile Dealer;

(4) Any Transfer by the Automobile Dealer creating a lien in its leasehold interests in the North Parcel or the South Parcel, or both, to accommodate the installation of leasehold improvements to the Automobile Dealership and/or the operation of the Automobile Dealership, including, without limitation, "floor financing" customary within the new automobile sales industry;

(5) Any Transfer directly resulting from the foreclosure of a lien or security interest created under (1), (2), (3) or (4) above, or the granting of a deed in lieu of foreclosure of such lien or security interest;

(6) Any transfer of assets among the Grantee and the Automobile Dealer in the ordinary course of business of either of them;

(7) Any Transfer or series of transfers of the Grantee or the Automobile Dealer, as applicable, to an entity or entities in which Scott Arthur Gunderson and Linda Marie Gunderson, together retain a minimum of fifty-one percent (51%) of the ownership or beneficial interest and retain management and control of the transferee entity or entities in the Property or the Automobile Dealer, as applicable;

(8) Any Transfer of the Property by the Grantee to a real estate investment trust (REIT) in which Scott Arthur Gunderson and Linda Marie Gunderson, together, are members of such REIT; provided however such transfer of the ownership of the Property by the Grantee to a REIT is permitted only if the management and control of the Automobile Dealer remains with Matthew Alfred Gunderson as managing member of the Automobile Dealer holding fifty-one percent (51%) or more of the Automobile Dealer, and such Automobile Dealership retains the management and control of operation of the Automobile Dealer;

(9) The conveyance or dedication of any portion of the Property to the City or other appropriate governmental agency, or the granting of easements or

permits to facilitate the operation of the Automobile Dealership;

(10) Any Transfer due to the death or disability of Scott Arthur Gunderson or Matthew Alfred Gunderson;

(11) A Transfer done for estate planning purposes; provided however, any Transfer to a trust which affects the assets and/or obligations of Scott Arthur Gunderson and/or his spouse, Linda Marie Gunderson.

(f) Other than a Permitted Transfer, no Transfer of this Agreement or their respective interests in the Property or the Automobile Dealership, as applicable, or any portion thereof, by the Grantee or the Automobile Dealer shall be effective unless, at the time of such Transfer, the person or entity to which such Transfer is made, shall expressly assume the obligations of the Grantee and the Automobile Dealer, as applicable, under this Agreement and such person also agrees to be subject to the conditions and restrictions to which the Grantee and the Automobile Dealer are subject under this Agreement. Such an assumption of obligation shall be evidenced by a written instrument delivered to the Agency in a recordable form reasonably satisfactory to the Agency.

(g) Provided the particular transaction satisfies the applicable provisions of Section 11, neither the Grantee or the Automobile Dealer are required to give the Agency advance notice of such a Permitted Transfer. The Agency may, in its reasonable discretion, approve in writing any other Transfer requested by the Grantee or the Automobile Dealer, provided the proposed transferee can demonstrate successful and satisfactory experience in the ownership, operation, and management of an operation similar to the Automobile Dealership. Any transferee of any interest in this Agreement or the Automobile Dealership, for itself and its successors and assigns, and for the benefit of the Agency shall expressly assume all of the obligations of the Grantee and the Automobile Dealer, as applicable, to the Agency under this Agreement. All instruments and other legal documents proposed to effect any Transfer, other than a Permitted Transfer, shall be submitted to the Agency for review. The approval or disapproval of the Agency shall be provided to the Grantee or the Automobile Dealer, as applicable, in writing within thirty (30) days of receipt by the Agency of a request

from the Grantee or the Automobile Dealer seeking such approval and all applicable instruments and documents. The Agency approval of a Transfer shall not be unreasonably conditioned, withheld or delayed. If the Agency does not respond to a request from the Grantee or the Automobile Dealer to approve a Transfer, within 30 days of the Agency's receipt of such request and all applicable instruments and documents, the Transfer shall be deemed approved by the Agency.

Section 12. Uses of Property.

The Grantee and the Automobile Dealer acknowledge and agree for themselves, their successors, and their assigns that, from and after the First Grant Disbursement, except for the leases, rental agreements and occupancies identified in Section 6(c)(ii) on the North Parcel, the Property shall only be used and reserved for use and occupancy for the Automobile Dealership and for the retail sales and service of automobiles, trucks and other motor vehicles by persons or businesses conducted on the Property who are "automobile dealers", as this term is defined in the California Vehicle Code. This use restriction shall apply, in the case of the Property, until the fifteenth (15th) anniversary following the date of close of the North Parcel Escrow and the recordation of the Notice of Redevelopment New Jobs Grant Agreement.

The provisions of Section 12 run with the Property as a community redevelopment covenant, until the fifteenth (15th) anniversary following the date of recordation of the Notice of Redevelopment New Jobs Grant Agreement affecting the North Parcel.

Section 13. Covenant of the Grantee and the Automobile Dealer to Create and Maintain New Jobs on the Property.

(a) Subject to the terms of this Agreement, the Grantee and the Automobile Dealer hereby covenant and agree to exercise commercially reasonable good-faith efforts to create and, thereafter, maintain the New Jobs at the Automobile Dealership, as follows:

(i) on the second (2nd) anniversary following the date of the First Grant Disbursement an aggregate of at least twenty four

(24) New Job positions shall be created at the Automobile Dealership and thereafter maintained through the sixth (6th) anniversary following the First Grant Disbursement; and

(ii) on the third (3rd) anniversary following the date of the First Grant Disbursement, an aggregate of at least twenty nine (29) New Job positions shall be created at the Automobile Dealership and thereafter maintained through the sixth (6th) anniversary following the Grant Disbursement; and

(iii) on the fourth (4th) anniversary following the date of the First Grant Disbursement, an aggregate of at least thirty five (35) New Job positions shall be created at the Automobile Dealership and thereafter maintained through the sixth (6th) anniversary following the Grant Disbursement; and

(iv) on each of the fifth (5th) and sixth (6th) anniversary dates following the date of the First Grant Disbursement there shall be a total of at least thirty five (35) New Job positions maintained at the Automobile Dealership.

(b) Within sixty (60) days of the second anniversary of the First Grant Disbursement and, thereafter, on the sixtieth (60th) day following each of the next four (4) following anniversary dates, the Grantee and the Automobile Dealer shall each file a written verification with the Agency Executive Director certifying their compliance with the New Jobs creation and/or maintenance covenant set forth in Section 13(a). The verifications shall include a suitably detailed report relating to the employees of the Grantee or the Automobile Dealer who are claimed by the Grantee or the Automobile Dealer as holding New Job positions during the preceding year, including appropriately detailed payroll accounting information relating to the total number of hours worked by such persons and the total number of persons who were recruited, hired or released from employment for a New Job position and the total number of other employees (e.g.: non-New Job position) of the Grantee or the Automobile Dealer employed at the Automobile Dealership. Such annual report need not identify any employee by name or by specific job

description nor by new hire date, and the payroll accounting information may aggregate the hours worked by all persons claimed by the Grantee or the Automobile Dealer to hold New Jobs at the Temporary Facility and on the Property, as applicable.

(c) If on any of the anniversary dates set forth in Section 13(a), the certification of the Grantee or the Automobile Dealer indicates that there are fewer than the minimum number of New Jobs at the Automobile Dealership, then the Grantee and the Automobile Dealer, jointly and severally agree to reimburse the Agency a portion of the Agency Grant in the amount of $12,000.00 for each New Job position less than the minimum aggregate number of New Job positions required for the period covered in the certification, up to a maximum aggregate repayment of $2,336,000, if both the First and the Second Grant Disbursement has occurred, and up to a maximum aggregate repayment of $1,036,000 if only the First Grant Disbursement has occurred, as applicable. The repayment by the Grantee and the Automobile Dealer of such portion of the Grant as set forth in this section shall be the sole remedy of the Agency for the failure of the Grantee or the Automobile Dealer to create any of the New Jobs at the Automobile Dealership on the Property as required in this Agreement.

The Grantee and the Automobile Dealer shall reimburse the Agency any sum payable pursuant to this Section 13(c) within thirty (30) days of demand by the Agency.

(d) The Grantee and the Automobile Dealer agree to allow the Agency or its agents, upon prior notice, at reasonable times, to inspect the payroll accounting and the other relevant employee personnel records on which the Grantee or the Automobile Dealer rely for the certification of the New Jobs provided to the Agency. The Agency recognizes that such payroll accounting and employee personnel records of the Automobile Dealer are and shall remain confidential business records of the Automobile Dealer and the Agency shall take all reasonable measures to preserve the confidentiality of any such records which it may inspect or obtain copies. The Automobile Dealer may provide copies of such record to the Agency which have been redacted to eliminate the name, identity, medical condition and other to non-relevant personal information of any particular employee of the Grantee or the Automobile Dealer, as applicable.

Section 14. Development of the Property.

(a) All costs of the design, construction or improvement of the Property, including the installation of any off-site public improvements or the payment of any regulatory fees, development impact capital charges and the like to the City or to any other public agency in connection with the potential improvement of the Project which may hereafter be undertaken at the discretion of the Grantee, or the Automobile Dealer, shall be borne by the Grantee and the Automobile Dealer as between themselves, as applicable. The Grantee shall obtain any and all necessary approvals, prior to the commencement of any such potential construction on the Property.

(b) The Grantee and the Automobile Dealer as between themselves, as applicable, shall at their sole cost and expense cause to be prepared, and shall pay any and all fees pertaining to the review and approval as relates to the Property and the operation of the Automobile Dealership thereon, including the cost and preparation of all required development project applications and other documents in compliance with applicable ordinances of the City including, but not limited to, specifications, drawings, plans, maps, permit applications, land use applications, zoning applications and design review documents.

(c) The Agency does not require the Grantee or the Automobile Dealer to displace any person from its occupancy of the property as a condition to the First Grant Disbursement or the Second Grant Disbursement. The Grantee and the Automobile Dealer hereby jointly and severally agree to indemnify, defend and hold the Agency harmless from any claim for relocation assistance arising under Government Code Section 7260 et seq., which may be asserted against the City or the Agency by any person who may claim to be displaced from the Property as a result of the operation of the Automobile Dealership thereon, the creation of the New Jobs, or any improvement of the Property which the Grantee or the Automobile Dealer may hereafter undertake.

(d) The Automobile Dealer for itself and its successors and assigns agree that in the operation of the Automobile Dealership, the Automobile Dealer will not discriminate against any person employed in the work of improvement or who may be an applicant for such employment because of sex, marital status, race, color, religion, creed, national origin, or ancestry, and the Automobile Dealer shall

take reasonable measures to ensure that none of its agents or contractors employed in such operation of the Automobile Dealership engage in such discrimination.

(e) The Grantee and the Automobile Dealer, as between themselves, as applicable, covenant and agree that each of them shall carry out the construction of any improvements to the Property which either of them may hereafter undertake in their discretion as necessary or appropriate for the operation of the Automobile Dealership thereon, in conformity with all applicable laws, including all applicable state prevailing wage laws, labor standards and requirements.

(f) The Grantee shall, at its own expense, secure or shall cause to be secured, any and all permits that may be required by the City or any other governmental agency having jurisdiction over the construction, development, work on the Property and/or the operation of the Automobile Dealership.

(g) Provided that the Grantee is not then in default, the Agency hereby agrees to subordinate its interest in the Property, or any portion thereof, as arises under Section 12 of this Agreement to any Permitted Transfer under Section 11(e)(1), (2) or (3) subject to the following conditions:

(1) the principal amount of such proposed loan under Section 11(e)(1) does not cause the loan-to-value ratio of the North Parcel to exceed 60% based upon the proposed lender's approved written appraisal report;

(2) the principal amount of such proposed loan under Section 11(e)(2) does not cause the loan-to-value ratio of the South Parcel to exceed 60% based upon the proposed lender's approved written appraisal report;

(3) the loan documents for a proposed loan under Section 11(e)(3) shall contain provisions reasonably satisfactory to the Agency which assures the Agency that loan proceeds shall be used and applied solely to discharge the existing purchase money mortgage security interest in the Property and to provide the Grantee with additional funds to pay for the construction and improvement of the Property for use and occupancy by the Automobile Dealer and to pay for

commercially reasonably financing costs associated with such a loan;

(4) in each case of a requested subordination by the Agency, the Grantee's loan documents shall not be materially modified or amended following approval of the Agency's subordination of its interest in the Property under Section 12 without the Grantee first obtaining the written approval of the Agency, and such approval shall not be unreasonably withheld, conditioned or delayed;

(5) in each case of a requested subordination by the Agency, no provision of the lender subordination agreement shall require the Agency to first obtain the consent of such lender before the Agency may enforce any remedy it may then have against the Grantee for a breach or default under this Agreement.

(6) The Executive Director shall approve, disapprove or conditionally approve the form of the proposed subordination agreement within thirty (30) days of receipt of a complete set of the loan documents evidencing such Permitted Transfer.

Section 15. Obligation to Refrain from Discrimination. The Grantee and the Automobile Dealer jointly and severally covenant and agree for themselves, their successors, their assigns and every successor in interest to the Property or any part thereof, that 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 Property; nor shall the Grantee, the Automobile Dealer, themselves or any person claiming under or through them, 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, sublessee or vendees of the Property. The covenant of this Section 15 shall run with the land in perpetuity.

Section 16. Form of Nondiscrimination and Nonsegregation Clauses. The Grantee and the Automobile Dealer jointly and severally covenant and agree for themselves, their

successors, their assigns, and every successor in interest to the Property, or any part thereof, that the Grantee, the Automobile Dealer, such successors and such assigns shall refrain from restricting the sale, lease, sublease, rental, transfer, use, occupancy, tenure or enjoyment of the Property (or any part thereof) on the basis of sex, marital status, race, color, religion, creed, ancestry or national origin of any person. All deeds, leases or contracts pertaining thereto 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 race, color, creed, religion, sex, marital status, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through 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, sublessee, or vendees in the premises 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 race, color, creed, religion, sex, marital status, national origin, or ancestry, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee 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, sublessee, subtenants, or vendees in the premises herein leased."

(3) In contracts: "There shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed or leased, nor shall the transferee 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, sublessees, subtenants, or vendees of the premises herein transferred." The foregoing provision shall be binding upon and shall obligate the contracting party or parties and any subcontracting party or parties, or other transferees under the instrument.

The covenant of this Section 16 shall run with the land in perpetuity.

Section 17. Maintenance Condition of the Property. Subject to the satisfaction of the conditions of Section 5, the Grantee and the Automobile Dealer for themselves, their successors and assigns hereby covenant and agree that:

(1) The areas of the Property that are subject to public view (including all existing improvements, paving, walkways, landscaping, exterior signage and ornamentation) shall be maintained in good repair and a neat, clean and orderly condition, ordinary wear and tear excepted. If, at any time, during the first fifteen (15) years following the date of recordation of the Notice of Redevelopment New Jobs Grant Agreement there is an occurrence of an adverse condition on any area of the Property that is subject to public view in contravention of the general maintenance standard described above (a "Maintenance Deficiency"), then the Agency shall notify the Grantee and the Automobile Dealer in writing of the Maintenance Deficiency and give the Grantee and the Automobile Dealer fifteen (15) days from receipt of such notice to cure the Maintenance Deficiency as identified in the notice. In the

event the Grantee and the Automobile Dealer fail to cure or commence to cure the Maintenance Deficiency within the time allowed, the Agency may conduct a public hearing following transmittal of written notice thereof to the Grantee and the Automobile Dealer ten (10) days prior to the scheduled date of such public hearing in order to verify whether a Maintenance Deficiency exists and whether the Grantee and the Automobile Dealer have failed to comply with the provision of this Section 17(1). If upon the conclusion of a public hearing, the Agency makes a finding that a Maintenance Deficiency exists and that there appears to be non-compliance with the general maintenance standard, described above, thereafter the Agency shall have the right to enter the Property and perform all acts necessary to cure the Maintenance Deficiency, or to take other action at law or equity the Agency may then have to accomplish the abatement of the Maintenance Deficiency. Any sum expended by the Agency for the abatement of a Maintenance Deficiency on the Property authorized by this Section 17(1) shall become a lien on the Property on the tenth (10th) day following the public hearing. If the amount of the lien is not paid within thirty (30) days after written demand for payment by the Agency to the Grantee and the Automobile Dealer, the Agency shall have the right to enforce the lien in the manner as provided in Section 17(3).

(2) Graffiti as this term is defined in Government Code Section 38772, which has been applied to any exterior surface of a structure or improvement on the Property which is visible from any public right-of-way adjacent or contiguous to the Property, shall be removed by the Grantee or the Automobile Dealer by either painting over the evidence of such vandalism with a paint which has been color-matched to the surface on which the paint is applied, or graffiti may be removed with solvents, detergents or water as appropriate. In the event that such graffiti may become visible from an adjacent or contiguous public right-of-way but is not removed within 72 hours following the time of such application, the Agency shall have the right to enter the Property and remove the graffiti without notice to the Grantee or the Automobile Dealer. Any sum expended by the Agency for the removal of such graffiti from the Property authorized by this Section 17(2) in an amount not to exceed $250.00 per entry by the Agency, shall become a lien on the Property. If the amount of the lien is not paid within thirty (30) days after written demand for payment by the Agency to the Grantee and the Automobile Dealer, the Agency shall have the

right to enforce its lien in the manner as provided in Section 17(3).

(3) The parties hereto further mutually understand and agree that the rights conferred upon the Agency under this Section 17 expressly include the power to establish and enforce a lien, as provided in subsections (1) and (2), or other encumbrance against the Property, or any portion thereof, in the manner provided under Civil Code Sections 2924, 2924b and 2924c, subject to all then existing other liens and encumbrances on the Property, in an amount reasonably necessary to restore the Property to the maintenance standard required under Section 17(1) or Section 17(2), including attorneys fees and costs of the Agency associated with the abatement of the Maintenance Deficiency or removal of graffiti and the collection of the costs of the Agency in connection with such action. The provisions of this Section 17, shall be a covenant running with the land until the fifteenth (15th) anniversary of the date following the recordation of the Notice of Redevelopment New Jobs Grant Agreement. Nothing in the foregoing provisions of this Section 17 shall be deemed to preclude the Grantee or the Automobile Dealer from making any alteration, addition, demolition or other change to any structure or improvement or landscaping on the Property, provided that such changes comply with applicable zoning and building regulations of the City. The Notice of Redevelopment Grant Agreement shall contain a reference to the provisions of Section 17 of this Agreement.

Section 18. Insurance. By a date not later than five (5) days preceding the close of the North Parcel Escrow, the Grantee and the Automobile Dealer shall each furnish, or shall cause to be furnished, to the Agency duplicate originals or appropriate certificates of comprehensive general liability insurance in the amount of One Million Dollars ($1,000,000.00) combined single limit, naming the Agency as an additional insured. Said insurance shall cover comprehensive general liability including, but not limited to, contractual liability; acts of subcontractors; premises-operations; explosion, collapse and underground hazards, if applicable; personal injury including false advertising, libel, slander and false arrest. In addition, the Grantee and the Automobile Dealer shall provide to the Agency adequate proof of comprehensive automobile liability insurance covering owned, non-owned and hired vehicles, combined single limit in the amount of One Million Dollars ($1,000,000.00) each occurrence; and proof of workers'

compensation insurance. Any and all insurance policies required hereunder shall be obtained from insurance companies admitted in the State of California and rated at least A: (viii) in Best's Insurance Guide. All said insurance policies shall provide that they may not be canceled unless the Agency receives written notice of cancellation at least thirty (30) calendar days prior to the effective date of cancellation. Any and all insurance obtained by the Grantee and/or the Automobile Dealer hereunder shall be primary to any and all insurance which the Agency may otherwise carry, including self insurance, which for all purposes of this Agreement shall be separate and apart from the requirements of this Agreement. Any and all insurance required hereunder shall be maintained and kept in force until the sixteenth (16th) anniversary following the recordation of the Notice of Redevelopment Grant Agreement.

Section 19. Defaults and Breach - General. Failure or delay by either party (the "Defaulting Party") to perform any material term or provision of this Agreement shall constitute a default under this Agreement; provided however, that if the Defaulting Party commences to cure, correct or remedy the alleged default within thirty (30) calendar days after receipt of written notice specifying such default and shall diligently complete such cure, correction or remedy, the Defaulting Party shall not be deemed to be in default hereunder.

The party claiming that a default has occurred (the "Non-Defaulting Party") shall give written notice of default to the Defaulting Party, specifying the alleged default. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default; provided, however, the Non-Defaulting Party shall have no right to exercise any remedy for a default hereunder without delivering the written default notice as specified herein.

Any failure or delay by the Non-Defaulting 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 rights or remedies associated with a default. 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.

In the event that a default of either party may remain uncured for more than thirty (30) calendar days following written notice, as provided above, a "breach" shall be deemed to have occurred. In the event of a breach, the Non-Defaulting Party shall be entitled to seek any appropriate remedy or damages by initiating legal proceedings.

The Agency, the Grantee and the Automobile Dealer agree that any party initiating legal proceedings to remedy a breach or default under this Agreement shall be limited to recovering that party's actual damages and shall not be entitled to recover any consequential damages.

Section 20. [RESERVED-NO TEXT]

Section 21. Rights and Remedies are Cumulative. The rights and remedies of the parties as set forth in this Agreement are cumulative and the exercise by any party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other parties.

Section 22. Conflict of Interest. No member, official or employee of the Agency having any conflict of interest, direct or indirect, related to this Agreement and the development of the Property shall participate in any decision relating to the Agreement. The Grantee and the Automobile Dealer represent and warrant that neither of them have knowledge of any such conflict of interest.

Section 23. Warranty Against Payment of Consideration for Agreement. The Grantee and the Automobile Dealer warrant that they have not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement. Third parties, for the purposes of this Section, shall not include persons to whom fees are paid for professional services if rendered by attorneys, financial consultants, accountants, engineers, architects and the like when such fees are considered necessary by the Grantee or the Automobile Dealer.

Section 24. Indemnification.

(a) The Grantee and the Automobile Dealer jointly and severally agree to indemnify and hold the Agency, and its officers, employees and agents, harmless from and against all damages, judgments, costs, expenses and attorney's fees arising from or related to any act or omission of the Grantee or the Automobile Dealer in performing their obligations hereunder. The Agency shall give the Grantee and the Automobile Dealer written notice of the occurrence of a claim, litigation or other matters for which the Agency seeks indemnity under this Section as promptly as practicable following the Agency's knowledge of the occurrence of such matter and the Agency shall reasonably cooperate with the Grantee and the Automobile Dealer in the defense of any such claim or matter and shall not take any action that would adversely affect the Grantee's or the Dealer's defense of such matter.

(b) The Agency agrees to indemnify and hold the Grantee and the Automobile Dealer, and their officers, employees and agents, harmless from and against all damages, judgments, costs, expenses and attorney's fees arising from or related to any act or omission of the Agency in performing its obligations hereunder. The Grantee and the Automobile Dealer shall give the Agency written notice of the occurrence of a claim, litigation or other matters for which the Grantee or the Automobile Dealer seek indemnity under this Section as promptly as practicable following the Grantee's or the Dealer's knowledge of the occurrence of such matter and the Grantee and the Automobile Dealer shall reasonably cooperate with the Agency in the defense of any such claim or matter and shall not take any action that would adversely affect the Agency's defense of such matter. The indemnity provided in this Section 24(b) does not extend to any of the matters described in Section 26(b) of this Agreement.

Section 25. Attorneys' Fees. If any party hereto files any action or brings any action or proceeding against another party hereto arising out of this Agreement, or is made a party to any action or proceeding brought by the Escrow Agent, then as between the Grantee, the Automobile Dealer and the Agency, the prevailing party shall be entitled to recover as an element of its costs of suit, and not as damages, its reasonable attorneys' fees as fixed by the Court, in such action or proceeding or in a separate action or proceeding brought to recover such attorneys' fees.

Section 26. Enforced Delay: Extension of Time of Performance.

(a) Performance by either party hereunder shall not be deemed to be in default, or considered to be a default, where delays or defaults are due to the force majeure events of war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes or weather-caused delays, that are not attributable to the fault of the party claiming an extension of time to prepare or acts or failure to act of any public or governmental agency or entity (provided that acts or failure to act of the Agency shall not extend the time for the Agency to act hereunder except as provided in Section 26(b)). An extension of time for any such force majeure cause shall be for the period of the enforced delay and shall commence to run from the date of occurrence of the delay; provided, however, that the party claiming the existence of the delay first provide the other party with written notice of the occurrence of the delay within fifteen (15) calendar days of the occurrence of the event giving rise to delay. The inability of the Grantee or the Automobile Dealer to obtain a satisfactory commitment from a lender for the acquisition of the Property or the operation of the Automobile Dealership, as applicable, which is not caused by a default of the Agency, shall not be deemed to be a force majeure event or otherwise provide grounds for the assertion of the existence of a delay under this Section 26. The parties hereto expressly acknowledge and agree that changes in either general economic conditions or changes in the economic assumptions of any of them which may have provided a basis for entering into this Agreement and which occur at any time after the execution of this Agreement, are not force majeure events and do not provide any party with grounds for asserting the existence of a delay in the performance of any covenant or undertaking which may arise under this Agreement. Each party expressly assumes the risk that changes in general economic conditions or changes in such economic assumptions relating to the terms and covenants of this Agreement could impose an inconvenience or hardship on the continued performance of such party under this Agreement, but that such inconvenience or hardship is not a force majeure event and does not excuse the performance by such party of its obligations under this Agreement. Furthermore, submittal of incomplete or defective applications, plans or drawings to any governmental agency, including the City, shall not be grounds

for the exercise by the Grantee or the Automobile Dealer of any provisions of this Section 26.

(b) The Grantee and the Automobile Dealer acknowledge that the Agency is a "public entity" and/or a "public agency," as defined under applicable California law. Therefore, the Agency must satisfy the requirements of certain California statutes relating to the actions of public entities, including, without limitation, the California Environmental Quality Act ("CEQA"). Also, as a public body, the Agency's action in approving this Agreement may be subject to proceedings to invalidate the Agreement. The Grantee and the Automobile Dealer hereby assume the risk of delays and damages that may result to the Grantee or the Automobile Dealer from any such third-party legal actions related to the Agency's approval of this Agreement or the pursuit of the development contemplated by this Agreement, even in the event that an error, omission or abuse of discretion by the Agency is determined to have occurred. The Grantee and the Automobile Dealer also acknowledge and agree that the Agency is not under any duty, mandatory or otherwise, to protect the Grantee or the Automobile Dealer from any harm that may be caused by an error, omission or abuse of discretion by the Agency related to the Agency's approval of this Agreement or the Project and that the Agency is not liable for general, special, consequential or any other damages that might be suffered by either the Grantee or the Automobile Dealer as a result of any such error, omission or abuse of discretion by the Agency.

Section 27. Inspection of Books and Records. The Agency shall have the right at all reasonable times at the Agency's cost and expense to inspect the books and records of the Grantee pertaining to the acquisition of the Property, and subject to the provisions of Section 13(d), to inspect the books and records of the Grantee and the Automobile Dealer, as applicable pertaining to the creation and retention of the New Jobs, as necessary for the Agency, in its reasonable discretion, to enforce its rights under this Agreement. Matters discovered by the Agency shall not be disclosed to third parties unless required by law or unless otherwise resulting from or related to the pursuit of any remedies or the assertion of any rights of the Agency hereunder. Notwithstanding the foregoing, the Agency shall not have any right to inspect books and/or records of the Grantee or the Automobile Dealer, as applicable that contain attorney/client communications or other attorney work product.

Section 28. Term of Agreement; Early Termination of Agreement.

(a) The Grantee or the Automobile Dealer may terminate this Agreement at their discretion for any reason before the First Grant Disbursement set forth in Section 5 by serving written notice of termination of the Agreement to the Agency which specifically refers to this Section 28(a) of the Agreement. Upon receipt by the Agency of such written notice of termination, and repayment by Grantee to the Agency of the sum advanced by the Agency to the North Parcel Escrow pursuant to Section 5(c), the parties shall be mutually released from any further obligation which arises under this Agreement.

(b) The Agency may terminate this Agreement at its discretion upon serving written notice of termination of the Agreement to the Grantee and the Automobile Dealer which specifically refers to this Section 28(b) of the Agreement, in the event that the Grant Disbursement does not occur for any reason not attributable to the default of the Agency prior to September 30, 2002. Upon receipt by the Grantee and the Automobile Dealer of such written notice of termination, and the repayment to the Agency by the Grantee of the sum advanced by the Agency to the North Parcel Escrow pursuant to Section 5(c), the parties shall be mutually released from any further obligation which arises under this Agreement.

Section 29. Joint and Several Liability of Grantee and Automobile Dealer.

(a) The obligations of the Grantee and the Automobile Dealer under this Agreement are joint and several with respect to each other. The Grantee and the Automobile Dealer hereby covenant to the Agency to be jointly and severally liable for the obligations of each other under this Agreement.

(b) The Grantee and the Automobile Dealer agree that in any action by the Agency related to the obligations covered under this Agreement, the Agency, at its election, may proceed (i) against Grantee together with the Automobile Dealer in a single proceeding, (ii) against Grantee and the Automobile Dealer individually in separate proceedings, (iii) against the Grantee only, without having commenced any action against or having obtained any judgment against the Automobile Dealer, or

(iv) against the Automobile Dealer only, without having commenced any action against or having obtained any judgment against the Grantee.

This Agreement may be executed by the parties in counterpart.

GRANTEE

GSL Development, a California limited liability company

Date: 8/15/02

By: _____
Scott Gunderson
Its: Managing Member

AUTOMOBILE DEALER

Gunderson Auto Group, LLC, a California limited liability company

Date: 8/15/02

By: _____
Scott Gunderson
Its: Managing Member

AGENCY

El Monte Community Redevelopment Agency

Date: 8-15-02

By: Rachel Montes
Chairperson

By: _____
Executive Director

Approved As To Form:

Deanie A. Holman
Agency Special Counsel

PUBLIC AGENCY (CC 1189)

State of California)s
County of Los Angeles)s

On August 15, 2002 before me Cynthia A. Hawkinson, Notary Public,

personally appeared Rachel Montes, Chairwoman and Harold O. Johanson, Executive Director

personally known to me (or 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 they executed the same in their authorized capacity(ies), and that by their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Cynthia A. Hawkinson

(SEAL)

CYNTHIA A. HAWKINSON
Commission # 1226164
Notary Public - California
Los Angeles County
My Comm. Expires Jun 26, 2003

(Revised 1-1-93)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of LOS ANGELES } ss.

On 8/15/02 (Date), before me, KATHLEEN H O'SHEA, NOTARY PUBLIC (Name and Title of Officer (e.g., "Jane Doe, Notary Public")),

personally appeared SCOTT GUNDERSON (Name(s) of Signer(s)),

☑ personally known to me
☐ 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.

KATHLEEN H. O'SHEA
Commission # 1254391
Notary Public - California
Los Angeles County
My Comm. Expires Mar 20, 2004

WITNESS my hand and official seal.

Kathleen H O'Shea
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: REDEVELOPMENT NEWJOBS GRANT AGREEMENT

Document Date: 8-15-02 Number of Pages: 50

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: SCOTT GUNDERSON

☐ Individual
☑ Corporate Officer — Title(s): MANAGING MEMBER LLC
☐ Partner — ☑ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer Is Representing: GSL DEVELOPMENT, LLC & GUNDERSON AUTO GROUP, LLC

© 1997 National Notary Association • 9350 De Soto Ave., P.O. Box 2402 • Chatsworth, CA 91313-2402 Prod. No. 5907 Reorder Call Toll-Free 1-800-876-6827

EXHIBIT "A"

LEGAL DESCRIPTION OF NORTH PARCEL

FILE NO.: 03705908

EXHIBIT "A"

PARCEL 1:

LOTS 1, 2 AND 3 IN BLOCK "A" OF TRACT NO. 10882, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 188, PAGE(S) 49 AND 50 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2:

LOT 5 IN BLOCK "A" OF TRACT NO. 10882, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 188, PAGE(S) 49 AND 50 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3:

THAT PORTION OF LOT "A" OF TRACT NO. 1268, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 18, PAGE(S) 51 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHEASTERLY LINE OF LOT 5 IN BLOCK "A" OF TRACT NO. 10882, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 188, PAGE(S) 49 AND 50 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT BEING DISTANT NORTH 38 DEGREES 29 MINUTES 20 SECONDS EAST 260.00 FEET MEASURED ALONG SAID SOUTHEASTERLY LINE AND ALONG THE SOUTHWESTERLY PROLONGATION OF SAID SOUTHEASTERLY LINE FROM THE SOUTHWESTERLY LINE OF LOT "A" OF TRACT NO. 1268; THENCE ALONG A LINE PARALLEL WITH SAID SOUTHWESTERLY LINE OF LOT "A" SOUTH 50 DEGREES 36 MINUTES 30 SECONDS WEST 50.00 FEET TO A POINT IN THE NORTHWESTERLY LINE OF LOT 4 IN BLOCK "A" OF TRACT NO. 10882; THENCE ALONG SAID NORTHWESTERLY LINE OF LOT 4 NORTH 38 DEGREES 29 MINUTES 20 SECONDS EAST 15.90 FEET TO THE MOST NORTHERLY CORNER OF SAID LOT 4; THENCE ALONG THE SOUTHWESTERLY LINE OF LOT 8 IN BLOCK "A" OF TRACT NO. 10882, NORTH 50 DEGREES 57 WEST 50.00 FEET TO THE MOST EASTERLY CORNER OF SAID LOT 5; THENCE ALONG THE SOUTHEASTERLY LINE OF SAID LOT 5, SOUTH 38 DEGREES 29 MINUTES 20 SECONDS WEST 15.60 FEET TO SAID POINT OF BEGINNING.

PARCEL 4:

THAT PORTION OF LOT "A" OF TRACT NO. 1268, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 18, PAGE(S) 51 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF LOT 5 IN BLOCK "A" OF TRACT NO. 10882, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 188, PAGE(S) 49 AND 50 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG THE SOUTHEASTERLY LINE OF SAID LOT 5, NORTH 38 DEGREES 29 MINUTES 20 SECONDS EAST 244.40 FEET TO A POINT THAT IS DISTANT NORTH 38 DEGREES 29 MINUTES 20 SECONDS EAST 260.00 FEET MEASURED ALONG SAID SOUTHEASTERLY LINE AND ALONG THE SOUTHWESTERLY PROLONGATION OF SAID SOUTHEASTERLY LINE, FROM THE SOUTHWESTERLY LINE OF LOT "A" OF TRACT NO. 1268; THENCE ALONG A LINE PARALLEL WITH SAID SOUTHWESTERLY LINE OF LOT "A" SOUTH 50 DEGREES 36 MINUTES 30 SECONDS EAST 50.00 FEET TO A POINT IN THE NORTHWESTERLY LINE OF LOT 4 IN BLOCK "A" OF TRACT NO. 10882; THENCE ALONG SAID NORTHWESTERLY LINE OF LOT 4, SOUTH 38 DEGREES 29 MINUTES 20 SECONDS WEST 244.10 FEET TO THE MOST WESTERLY CORNER OF SAID LOT 4, IN THE NORTHEASTERLY LINE OF THE LAND DESCRIBED IN DEED TO THE STATE OF CALIFORNIA FOR HIGHWAY PURPOSES RECORDED NOVEMBER 22, 1948, AS INSTRUMENT NO. 2198, IN BOOK 28783, PAGE 170, OFFICIAL RECORDS; THENCE ALONG SAID NORTHEASTERLY LINE NORTH 50 DEGREES

ACKNOWLEDGED

S.G.

DATE 7/16/02

A
EXHIBIT B - CONTINUED

57 MINUTES WEST 50.00 FEET TO SAID POINT OF BEGINNING.

PARCEL 5:

LOT 4 IN BLOCK "A" OF TRACT NO. 10882, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 188, PAGE(S) 49 AND 50 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 6:

LOT 6 IN BLOCK "A" OF TRACT NO. 10882, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 188, PAGE(S) 49 AND 50 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 7:

THAT PART OF LOT "A" OF TRACT NO. 1268, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 18, PAGE(S) 51 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST WESTERLY CORNER OF SAID LOT; THENCE SOUTH 50 DEGREES 36 MINUTES 30 SECONDS EAST ALONG THE SOUTHWESTERLY LINE OF SAID LOT, 82 FEET; THENCE NORTH 38 DEGREES 29 MINUTES 20 SECONDS EAST 782.22 FEET TO A POINT IN THE NORTHEASTERLY LINE OF SAID LOT, DISTANT THEREON SOUTH 50 DEGREES 28 MINUTES 20 SECONDS EAST 28.94 FEET FROM THE MOST NORTHERLY CORNER THEREOF; THENCE NORTH 50 DEGREES 28 MINUTES 20 SECONDS WEST ALONG THE NORTHERLY LINE OF SAID LOT "A", 28.94 FEET TO THE MOST NORTHERLY CORNER THEREOF; THENCE SOUTH 42 DEGREES 21 MINUTES 25 SECONDS WEST ALONG THE NORTHWESTERLY LINE OF SAID LOT, 782.68 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST WESTERLY CORNER OF SAID TRACT NO. 1268; THENCE SOUTHEASTERLY ALONG THE SOUTHWESTERLY LINE OF SAID TRACT, A DISTANCE OF 82 FEET TO THE SOUTHWESTERLY PROLONGATION OF THE NORTHWESTERLY LINE OF LOT 6 OF TRACT NO. 10882, AS PER MAP RECORDED IN BOOK 188, PAGE 49 OF MAPS; THENCE NORTHEASTERLY ALONG SAID SOUTHWESTERLY PROLONGATION TO THE MOST WESTERLY CORNER OF SAID LOT 6; THENCE NORTHWESTERLY ALONG THE NORTHWESTERLY PROLONGATION OF THE SOUTHWESTERLY LINE OF SAID LAST MENTIONED LOT TO AN INTERSECTION WITH A LINE WHICH IS PARALLEL WITH AND DISTANT 50 FEET NORTHEASTERLY, MEASURED AT RIGHT ANGLES, FROM THE CENTERLINE OF VALLEY BOULEVARD, 66 FEET WIDE, SHOWN, AS POMONA BOULEVARD ON MAP OF TRACT NO. 9942, RECORDED IN BOOK 140, PAGE 20 OF MAPS; THENCE NORTHWESTERLY ALONG SAID PARALLEL LINE TO THE NORTHWESTERLY LINE OF SAID TRACT NO. 1268; THENCE SOUTHWESTERLY ALONG SAID NORTHWESTERLY LINE TO THE POINT OF BEGINNING.

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

ACKNOWLEDGED

DATE 7/6/00

FILE NO.: 03705908

EXHIBIT A - CONTINUED

BEGINNING AT A POINT IN THE NORTHWESTERLY LINE OF TRACT NO. 10882, AS SHOWN ON MAP RECORDED IN BOOK 188, PAGES 49 AND 50 OF SAID MAPS, DISTANT THEREON SOUTH 38 DEGREES 18 MINUTES 21 SECONDS WEST, 15.67 FEET FROM THE MOST NORTHERLY CORNER OF LOT 7 IN BLOCK "A" OF SAID TRACT NO. 10882; THENCE NORTH 83 DEGREES 31 MINUTES 37 SECONDS WEST, 58.36 TO THE NORTHWESTERLY LINE OF SAID LOT "A"; THENCE ALONG SAID NORTHWESTERLY LINE; NORTH 42 DEGREES 17 MINUTES 07 SECONDS EAST, 297.57 FEET TO THE MOST NORTHERLY CORNER OF SAID LOT "A"; THENCE ALONG THE NORTHEASTERLY LINE OF SAID LOT "A", SOUTH 50 DEGREES 39 MINUTES 34 SECONDS EAST, 28.94 FEET TO SAID NORTHWESTERLY LINE OF TRACT NO. 10882; THENCE ALONG SAID NORTHWESTERLY LINE, SOUTH 38 DEGREES 18 MINUTES 21 SECONDS WEST, 265.54 FEET TO SAID POINT OF BEGINNING.

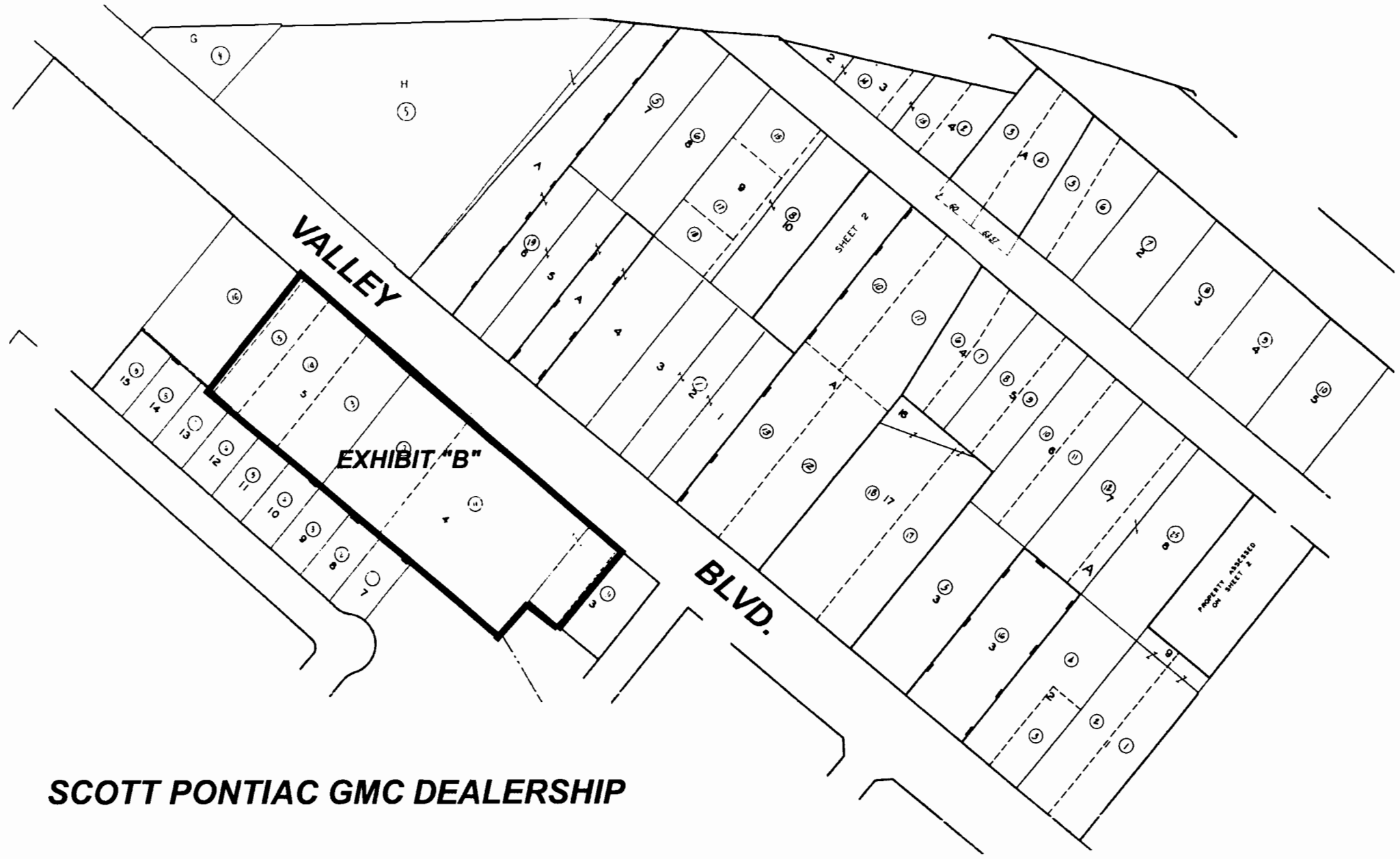
A.P.N. 8565-011-001

ACKNOWLEDGED

DATE 2/16/02

EXHIBIT "B"

LEGAL DESCRIPTION OF SOUTH PARCEL



SCOTT PONTIAC GMC DEALERSHIP

Exhibit "C"

SCHEDULE OF PERFORMANCE

The major actions related to the development of the Property as contained in the Agreement are:

Action	**Timeframe**
Grant Disbursement -- the Agency shall disburse the grant funds in accordance with Section 6 of the Agreement.	Upon satisfaction of all conditions precedent but in any event not later than _____, 2002