

**AGENDA FOR A
SPECIAL MEETING
OF THE**

**IRWINDALE SUCCESSOR
AGENCY OVERSIGHT BOARD**

November 17, 2016

6:00 P.M. - OPEN SESSION

***IRWINDALE CITY HALL, OUTER COUNCIL CHAMBER
5050 N. IRWINDALE AVENUE
IRWINDALE, CA 91706
626-430-2200***

**Lydia Cano
Loretta Corpis
Camille Diaz
J. Suzie Hsi
Bill Scroggins
Teresa Villegas**

Spontaneous Communications: The public is encouraged to address the Oversight Board on any matter listed on the agenda or on any other matter within its jurisdiction. The Oversight Board will hear public comment on items listed on the agenda during discussion of the matter and prior to a vote. The Oversight Board will hear public comment on matters not listed on the agenda during the Spontaneous Communications period.

Pursuant to provisions of the **Brown Act**, no action may be taken on a matter unless it is listed on the agenda, or unless certain emergency or special circumstances exist. The Oversight Board may direct staff to investigate and/or schedule certain matters for consideration at a future Board meeting.

Americans with Disabilities Act: In compliance with the ADA, if you need special assistance to participate in an Oversight Board meeting or other services offered by this City, please contact City Hall at (626) 430-2200. Assisted listening devices are available at this meeting. Ask the Deputy City Clerk if you desire to use this device. Upon request, the agenda and documents in the agenda packet can be made available in appropriate alternative formats to persons with disabilities. Notification of at least 48 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

Note: Staff reports are available for inspection at the office of the Deputy City Clerk, City Hall, 5050 N. Irwindale Avenue, during regular business hours (8:00 a.m. to 6:00 p.m., Monday through Thursday).

B. Amendment No. 4 to the Purchase and Sale Agreement for the 242 Live Oak Avenue Property (Long-Range Property Management Plan Site No. 11)

Pursuant to the LRPMP approved by DOF, on July 22, 2015, the Successor Agency and Oversight Board previously approved a Purchase and Sale Agreement with PDC LA/SD LLC for the 242 Live Oak Avenue Property. The Oversight Board will consider a resolution approving the extension for the outside closing date for the PSA in the form of Amendment No. 4. If approved, the resolution will allow an additional 180 days to complete the activities necessary to secure a building permit from the City of Irwindale.

3. OLD BUSINESS

None.

4. OVERSIGHT BOARD MEMBER COMMENTS

5. ADJOURN



**OVERSIGHT BOARD
OF THE SUCCESSOR
AGENCY TO THE
IRWINDALE COMMUNITY
REDEVELOPMENT AGENCY**

LYDIA CANO
Rep. of County Board of
Education

LORETTA CORPIS
Rep. of Mayor of Irwindale

CAMILLE DIAZ
Rep. of Mayor of Irwindale

J. SUZIE HSI
Rep. of County Board of
Supervisors

VACANT
Rep. of Consolidated Fire
Protection District of Los
Angeles County

BILL SCROGGINS
Rep. of Chancellor of
California Community
Colleges

TERESA VILLEGAS
Rep. of County Board of
Supervisors

DATE: November 17, 2016
TO: Oversight Board of the Successor Agency to the
Irwindale Community Redevelopment Agency
FROM: John Davidson, Executive Director
Gustavo Romo, Community Development Director
SUBJECT: Release of Regulatory Agreement for Hallett Boats /
Nick and Shirley Barron

Recommendation

That the Oversight Board take the following action:

**ADOPT RESOLUTION NO. 2016-XX-XXX TO RATIFY THE
APPROVAL OF A RELEASE OF REGULATORY AGREEMENT
BETWEEN THE FORMER IRWINDALE COMMUNITY
REDEVELOPMENT AGENCY, CITY AND NICK AND SHIRLEY
BARRON**

Discussion

The Successor Agency to the Irwindale Community Redevelopment Agency ("Successor Agency") is considering to ratify the approval of a Release of Regulatory Agreement between the Successor Agency, City of Irwindale ("City") and Nick and Shirley Barron ("Owners").

Context

The owners and operators of the Hallett Boats business at 4800 Rivergrade Road, Irwindale ("Property"), Nick and Shirley Barron ("Owners"), entered into a Disposition and Development Agreement with the former ICRA to purchase the Property from the ICRA and develop the Hallett Boats manufacturing and sales facility ("Hallett Boats Facility") on August 17, 2004. As part of the Disposition and Development Agreement, the Owners entered into a Regulatory Agreement and Declaration of Covenants and Restrictions" dated August 17, 2004 and recorded on May 3, 2006 as Instrument No. 06-0969393 in the Official Records of Los Angeles County, California ("Regulatory Agreement") with the ICRA and City.

The Regulatory Agreement requires that Owners maintain the Property and operate the Hallett Boats Facility for 12 years following the completion of development. Additionally, the Regulatory Agreement requires operation during such time to allow the City and ICRA to recoup the anticipated

generation of tax increment (expected to be \$1,220,442) and sales tax (expected to be \$600,000) over the 12-year term.

The Owners have operated the Hallett Boats Facility in compliance with the Regulatory Agreement since the completion of construction on or about February 27, 2008. However, the boating business has experienced an unexpected and dramatic decline since the beginning of operations. Indeed, boat manufacturing at the Hallett Boats Facility has gone from a peak of approximately 400 boats per year to about 12 boats in the last 12 months.

This downturn in the boating business has caused the Owners to experience significant losses. To avoid further losses, Owners are in escrow to sell the Property to a high-end car dealership, which is expected to generate significant sales tax revenues to the City. Additionally, the Hallett Boats Facility will be maintained and, thus, property tax revenues will continue to be generated and potentially increase as a result of the sale. As such, the tax increment generation originally anticipated would not be impacted by any sale or early release of the Regulatory Agreement. Additionally, Owners have committed to move the Hallett Boats business to another location within the City of Irwindale and continue operations of the business, while reducing costs to Owner's business attendant with operating at the Property.

Analysis of Proposal

Although Owners have not operated for the entire 12-year term of the Regulatory Agreement, they have substantially complied with the requirements of Section C therein insofar as they have satisfactorily performed the majority of the term despite the effect of the economic impact of the Great Recession of 2008 on the Owner's business. Section C.3 of the Regulatory Agreement explains that the anticipated tax revenues from the development of the Hallett Boats Facility and operation of the business thereon would not be required to be repaid if Owners continue operations for the entire 12-year term. However, the downturn in the boat business was an unexpected occurrence. Due to the elimination of redevelopment agencies in California, no further resources exist to remedy said economic impacts.

Owners notified the City that they are desirous of selling the Property, which requires a release of the Regulatory Agreement so they can move the business to another location in the City. Allowing the Owners to move their Hallett Boats business to another location in the City assists Owners in reducing overhead by moving to a smaller facility.

Fiscal Impact

Approval of the Release of the Regulatory Agreement would not result in any direct costs to the Oversight Board or any of the taxing agencies. It would, however, result in allowing the business to continue operations, while the City continues to generate sales tax revenues from the business. Additionally, taxing agencies that benefit from any former ICRA tax increment produced from the Property are not harmed insofar as the Hallett Boats Facility constructed in 2008 will remain and property taxes are not reduced. To the contrary, the sale may result in an increased property tax assessment.

ATTACHMENT:

1. Resolution No. 2016-XX-XXX with Exhibit:
2. Regulatory Agreement with Nick and Shirley Barron
3. August 10, 2016 letter from Mr. Barron to Mr. Davidson
4. Release of Regulatory Agreement

PREPARED BY:

JIM SIMON, ECONOMIC DEVELOPMENT/SUCCESSOR AGENCY
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OVERSIGHT BOARD RESOLUTION NO. 2016-XX-XXX

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE IRWINDALE COMMUNITY REDEVELOPMENT AGENCY TO RATIFY THE APPROVAL OF A RELEASE OF REGULATORY AGREEMENT BETWEEN THE FORMER IRWINDALE COMMUNITY REDEVELOPMENT AGENCY, CITY AND NICK AND SHIRLEY BARRON

WHEREAS, pursuant to the dissolution of redevelopment agencies per Assembly Bill ("AB") ABX1 26 (Chapter 5, Statutes of 2011) and ABX1 27 (Chapter 6, Statutes of 2011), and subsequent legislation, AB 1484 (Chapter 26, Statutes of 2012) (altogether, "Dissolution Act"), the City of Irwindale ("City") adopted Resolution No. 2012-08-2547 on January 11, 2012, electing to serve as Successor Agency to the Irwindale Community Redevelopment Agency ("Successor Agency"); and

WHEREAS, the property owners and operators of Hallett Boats business at 4800 Rivergrade Road, Irwindale ("Property"), Nick and Shirley Barron ("Owners"), entered into a Disposition and Development Agreement ("DDA") with the Successor Agency to purchase the Property from the Successor Agency and develop the Hallett Boats manufacturing and sales facility on August 17, 2004; and

WHEREAS, the Owners entered into a Regulatory Agreement and Declaration of Covenants and Restriction as part of the DDA dated August 17, 2004 and recorded on May 3, 2006 as Instrument No. 06-0969393 in the Official Records of Los Angeles County, California ("Regulatory Agreement") with the Successor Agency and City for a period of 12 years following the completion of development occurring on or about February 27, 2008; and

WHEREAS, the Owners entered into escrow to sell Property

WHEREAS, the Successor Agency approved the Release of the Regulatory Agreement on September 22, 2016, subject to Oversight Board approval.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE IRWINDALE COMMUNITY REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

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

Section 2. Ratify the Approval of a Release of Regulatory Agreement. The Oversight Board hereby approves the Release of Regulatory Agreement between the former Irwindale Community Redevelopment Agency (ICRA), City and Nick and Shirley Barron.

PASSED AND ADOPTED at a special meeting of the Oversight Board of the Successor Agency to the Irwindale Community Redevelopment Agency, on the 17th day of November, 2016, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Bill Scroggins, Chairman

ATTEST:

Laura Nieto, Secretary

Exhibit 1

Release of Regulatory Agreement
between the Successor Agency to the Irwindale Community Redevelopment Agency
(ICRA)
the City of Irwindale
and Nick and Shirley Barron Agreement
4800 Rivergrade Road, Irwindale

This page is part of your document - DO NOT DISCARD

06 0969393

RECORDED/FILED IN OFFICIAL RECORDS
RECORDER'S OFFICE
LOS ANGELES COUNTY
CALIFORNIA
05/03/06 AT 08:00am

TITLE(S) :



LEAD SHEET

FEE

D.T.T.

FREE U

24

CODE
20

CODE
19

CODE
9

Assessor's Identification Number (AIN)

To be completed by Examiner OR Title Company in black ink.

Number of AIN's Shown

THIS FORM IS NOT TO BE DUPLICATED

RECORDED BY:

FIRST AMERICAN TITLE INSURANCE COMPANY
National Commercial Services

WHEN RECORDED MAIL TO

IRWINDALE COMMUNITY REDEVELOPMENT
AGENCY
5050 IRWINDALE AVENUE
IRWINDALE, CALIFORNIA 91706
ATTN. EXECUTIVE DIRECTOR

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SPACE ABOVE THIS LINE RESERVED FOR RECORDER USE

**REGULATORY AGREEMENT AND DECLARATION OF
COVENANTS AND RESTRICTIONS**

APN 9335-020-912, 913, 914, 915

05/03/06

218385-20

FIRST AMERICAN TITLE INSURANCE COMPANY

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FREE RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO.

IRWINDALE COMMUNITY REDEVELOPMENT AGENCY
5050 Irwindale Avenue
Irwindale, California 91706
Attention: Executive Director

(Space Above This Line for Recorder's Office Use Only)
(Exempt from Recording Fee per Gov Code § 6103)

**REGULATORY AGREEMENT AND
DECLARATION OF COVENANTS AND RESTRICTIONS**

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THIS REGULATORY AGREEMENT AND DECLARATION OF COVENANTS AND RESTRICTIONS ("Agreement") is made and entered into this 17th day of August, by and between the IRWINDALE COMMUNITY REDEVELOPMENT AGENCY, a public body, corporate and politic ("Agency"), the CITY OF IRWINDALE, a municipal corporation ("City"), and NICK AND SHIRLEY BARRON, husband and wife, as joint tenants (collectively "Owner"). *Barron*

RECITALS:

A. Pursuant to a Disposition and Development Agreement by and between Agency and Owner, dated August 17, 2004, (the "DDA"), Agency and Owner have approved the acquisition by Owner of real property owned by the Agency to facilitate Owner's construction of a boat manufacturing and retail complex on that certain real property located in the City of Irwindale, County of Los Angeles, State of California, more particularly described in Exhibit "A" attached hereto and incorporated herein by reference (the "Site").

B. The Site is within the City Industrial Development Project Area ("Project Area") specifically described in the Redevelopment Plan for the Project Area which was approved and adopted by the City Council of the City of Irwindale by Ordinance Number 302 of the City Council of City on July 19, 1976, and subsequently amended by ordinances of the City Council.

C. The purpose of the Redevelopment Plan is to remedy and alleviate blighted conditions associated with undeveloped and unproductive land, inadequate street and circulation systems, unsuitable land mixes, inadequate or total lack of public street improvements, and the existence of substandard and incompatible uses and structures. The redevelopment and restriction of the Site in accordance with the Redevelopment Plan will promote the utility and value of the Site and of the Project Area, for the benefit of its future owners and the entire city.

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D. Pursuant to the DDA and Redevelopment Plan, Owner has agreed to develop, construct, and maintain a complex of manufacturing and retail buildings for Owner's high-end boat business and complementary retail or industrial use (hereinafter referred to collectively as the "Project"), on the Site.

E. Agency and Owner have determined that Owner will benefit from the Agency's sale of the redesign and construction of the Site, in light of its size and location in the City, and that Agency has incurred \$3,925,207 in assembling the Site, including but not limited to, real estate purchase costs, attorneys fees, appraisal fees, relocation assistance payments, goodwill appraisal fees, environmental testing fees and other consultants' fees totaling \$3,925,207 ("Agency Acquisition Costs"), as further described in the Summary Report prepared and approved by the Agency pursuant to Health & Safety Code section 33433 in its approval of the DDA.

F. As further provided in the DDA, Owner paid to the Agency the purchase price of \$1,604,151, representing the fair market value of the Site (based on the appraised fair market value of \$1,632,151, as reduced by the demolition costs of \$28,000 necessary to prepare the Site for Development), and that in consideration for the difference in the Agency Acquisition Costs and Purchase Price, or \$2,321,056 ("Net Agency Acquisition Costs"), Owner agrees to enter into this Agreement to (i) continue to devote the Site to operation of the Project during the Term, and (ii) comply with the other terms and conditions set forth in this Agreement, as more particularly set forth herein. This Agreement shall be recorded against the Site by the time set forth in the Schedule of Performance of the DDA.

G. By its approval of this Agreement, the Board of Directors of the Agency has found and determined that it is of benefit to the Agency and its citizens for the Project to be developed on the Site, that the imposition of certain operating covenants and use restrictions upon the Site for such uses constitutes a valid public purpose, and therefore the Agency desires to obtain such operating covenants and use restrictions on the Site, subject to the terms hereof. By its approval of this Agreement, Owner is willing to enter into and be bound by such operating covenants and use restrictions.

H. Agency and Owner now desire to place restrictions upon the use, transfer, and operation of the Project, in order to ensure that the Project shall be operated continuously as a high quality boat manufacturing and retail consistent with the goals of the Agency for the term of this Agreement.

I. It is the intent of the parties that the title vested in Owner by the Grant Deed for the Site ("Grant Deed"), recorded concurrently herewith in the Office of the County Recorder for the County of Los Angeles be subject to this Regulatory Agreement, and that the terms hereof shall be binding on the Owner and its successors in interest in the Site for so long as the Regulatory Agreement shall remain in effect

J. The Redevelopment Plan and DDA (i) are on file and may be reviewed in the office of the executive director of the Agency ("Executive Director"), in the Irwindale

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City Hall and (ii) are each incorporated herein by this reference and made a part hereof as though fully set forth herein.

AGREEMENT:

NOW, THEREFORE, the Owner, City, and Agency declare, covenant and agree, by and for themselves, their heirs, executors, administrators and assigns, and all persons claiming under or through them, that the Site shall be held, transferred, encumbered, used, sold, conveyed, leased and occupied, subject to the covenants and restrictions hereinafter set forth, all of which are declared to be in furtherance of a common plan for the improvement and sale of the Site, and are established expressly and exclusively for the use and benefit of the Agency, the citizens of the City of Irwindale, and every tenant leasing a space on the Site.

A. DEFINITIONS.

1. Agency Acquisition Costs. As used in this Agreement, the "Agency Acquisition Costs" shall mean the amount \$3,925,207 incurred by the Agency in assembling the Site, including but not limited to, real estate purchase costs, attorneys fees, appraisal fees, relocation assistance payments, goodwill appraisal fees, environmental testing fees and other consultants' fees.

2. Net Agency Acquisition Costs. As used in this Agreement, the "Net Agency Acquisition Cost, shall mean the amount of \$2,321,056, calculated by the difference of the Agency Acquisition Costs, minus the purchase price of \$1,604,151, representing the fair market value of the Site (based on the appraised fair market value of \$1,632,151, as reduced by the demolition costs of \$28,000 necessary to prepare the Site for Development).

3. Owner-Generated Revenues. As used in this Agreement, the term "Owner-Generated Revenues" shall be equal to sales tax revenue of \$600,000 estimated from operation of the Project plus tax increment of \$1,220,442 for 12 years) is \$1,820,442 for the 12-year Term of this Agreement, as further provided at section C.2 herein

4. Project Manager. As used in this Agreement, the term "Project Manager" shall refer to that entity, to be designated by Owner and approved by Agency, who shall be responsible for operating and maintaining the Project in accordance with the terms of this Agreement. Prior to Agency's approval, Owner shall act as Project Manager.

5. Prospective Tenant. As used in this Agreement, the term "Prospective Tenant" shall refer to a tenant proposed for the Project who has not been approved or rejected by Agency pursuant to Section B.6 of this Agreement.

6. Rejected Tenant. As used in this Agreement, the term "Rejected Tenant" shall refer to a tenant proposed for the Project who has not been rejected by Agency pursuant to Section B.6 of this Agreement.

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B USES OF THE SITE.

1. Agency Goals. Agency is conveying the Site to Owner, and Owner is acquiring the Site from Agency, for the purpose of constructing a manufacturing and retail complex for the Owner's high-end boat business and complementary retail or industrial use, while recouping over time the Agency's financial investment in the Project through the property tax increment to be generated by the Site, and while generating revenue for the City through increased sales taxes (collectively, the "Agency Goals").

2. Term. Unless terminated in accordance with this Agreement, the Owner hereby agrees that the Project is to be owned, managed, and operated as a manufacturing and retail complex for Owner's high-end boat business pursuant to this Agreement for a term equal to twelve (12) years, commencing upon the date of the recordation of the Release of Construction Covenants for the Site in accordance with the DDA (the "Term").

3. Restrictions on Occupancy. Owner covenants and agrees for itself and its successors and assigns to its interest in the Site that the Site shall be restricted to tenants approved by the Agency in writing in accordance with the Scope of the Project.

4. Agency Approval or Rejection of Prospective Tenants. All Prospective Tenants shall be subject to approval in writing by Agency, which approval shall not be unreasonably withheld as long as the Agency determines, in its reasonable discretion, that the Prospective Tenant will further the Agency Goals. Owner shall notify Agency in writing not less than thirty (30) days prior to entering into any lease with a Prospective Tenant notifying Agency of the essential terms of the transaction so as to enable Agency to determine whether a lease of a any portion of the Site to the Prospective Tenant will further the Agency Goals. Agency may also elect to schedule a meeting with the Prospective Tenant. Based upon the information submitted by Owner and the Prospective Tenant, the Agency shall approve or reject the Prospective Tenant. Upon Agency approval the Prospective Tenant, Owner may thereafter enter a lease with the such Prospective Tenant, subject to the restrictions in this Agreement. Upon Agency rejection the Prospective Tenant becomes a Rejected Tenant, and Owner shall not enter a lease with the Rejected Tenant.

5. Restrictions After Initial Lease. Notwithstanding any of the foregoing in this Section B, the Agency's right to approve Prospective Tenants shall apply only to (i) the initial lease of any portion of the Site, and (ii) any subsequent lease of any portion of the Site exceeding 7,500 square feet

C. REPAYMENT OF OWNER-GENERATED REVENUE.

1. Agency's Expected Revenues from Project The parties acknowledge that the Project, when completed, will yield the following revenues to the Agency:

a. Purchase Price. Payment of the Purchase Price from Owner to Agency, as that term is defined in the DDA and pursuant to the terms of the DDA, of \$1,604,151.

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b. Tax Increment Revenues. As a result of an increased valuation of the Site due to the development of the Project thereon, the Agency anticipates an increased valuation of the Site to approximately \$10,723,620, of which Agency is expected to receive tax increment revenues of \$101,703.50 per year (or \$1,017,035 over a 10-year period from completion of development of the Project).

c. Billboard and Cellular Tower Rent Revenues. Agency anticipates receipt of revenues of \$540,000 over a 10-year period from the effective date of the DDA from rent paid by the operators of the Billboard and Cellular Towers under the Billboard and Cellular Tower Leases, as those terms are defined in the DDA.

d. Sales Tax Revenue from Project. Agency and Owner estimate that the sales tax revenue generated from the Project to the Agency will equal approximately \$500,000 over a 10-year period following the commencement of operations at the Project.

The parties therefore estimate that, within 10 years following the completion of the Project, the Agency will have gained revenues of \$3,661,186 from the above sources. This will leave a gap of approximately \$264,021 for the Agency to fully recover its Net Agency Acquisition Costs (\$3,925,207 Agency Acquisition Costs minus \$3,661,186). To recover such balance, the parties anticipate that the Project would have to operate an additional 1.28 years to allow the Agency to fully recover the Net Agency Acquisition Costs. As such, Owner agrees to be subject to the 12 year Term under this Agreement to allow the Agency to fully recover such net Agency Acquisition Costs.

2. Owner Obligation to Pay Owner-Generated Revenues.

Agency and Owner agree that the transfer of the Site to Owner have a value attributable to Owner equal to the portion of the Net Agency Acquisition Costs attributable to Owner's operation of the Project and its ownership of the Site (equal to sales tax revenue of \$600,000 plus tax increment of \$1,220,442 for 12 years) is \$1,820,442 for 12 years ("Owner-Generated Revenues"). Accordingly, Owner hereby consents and shall be obligated to repayment of the Owner-Generated Revenues pursuant to this Agreement, subject to the terms of Section C.3 below.

3 Amortization of Owner-Generated Revenues.

Owner shall not be obligated to repay the Owner-Generated Revenues so long as Owner is not in default of this Agreement. The entire amount of the Owner-Generated Revenues shall be amortized on an equal annual basis during the 12 year Term. On each annual anniversary of the Effective Date, provided that Owner is not in default of this Agreement, the outstanding balance of the Owner-Generated Revenues shall be reduced by One Hundred Fifty One Thousand Seven Hundred and Three and 50/100 Dollars (\$151,703.50).

4 Default; Acceleration

Owner shall be deemed in default of this Agreement and the outstanding balance

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of the Owner-Generated Revenues shall be immediately due and payable by Owner if Owner is in material breach of any of Owner's obligations under this Agreement.

5 Pre-Payment of Outstanding Balance of Owner-Generate Revenues

Owner shall have the right to pre-pay any outstanding portion of the Owner-Generated Revenues and this Agreement, without penalty. Upon Agency's confirmation that such balance has been paid in full, this Agreement shall terminate and the parties shall cooperate in effecting such termination.

6. Additional Terms.

(a) This Agreement shall serve as a promissory note by Owner to repay the Owner-Generated Revenues as set forth herein

(b) Upon the earlier of (i) the full repayment of the Owner-Generated Revenues; or (ii) the Termination Date, this Agreement shall be of no further force or effect.

(c) To the extent permitted by law, Owner waives diligence, presentment, protest and demand, and notices of protest, demand, nonpayment, dishonor, and maturity. Owner agrees that any extension of time for payment hereunder shall not affect the liability of Owner for such indebtedness. No delay or omission by Agency in exercising any right or remedy hereunder shall constitute a waiver of such right or remedy, or any other right or remedy, or any event of default. No warver by Agency of any event of default shall constitute a waiver of any other event of default.

D. MAINTENANCE.

1. Maintenance Obligation. Owner, for itself and its successors and assigns, hereby covenants and agrees to maintain and repair or cause to be maintained and repaired the Site and all related on-site improvements and landscaping thereon, including, without limitation, buildings, parking areas, lighting, signs and walls in a first class condition and repair, free of rubbish, debris and other hazards to persons using the same, and in accordance with all applicable laws, rules, ordinances and regulations of all federal, state, and local bodies and agencies having jurisdiction, at Owner's sole cost and expense. Such maintenance and repair shall include, but not be limited to, the following: (i) sweeping and trash removal; (ii) the care and replacement of all shrubbery, plantings, and other landscaping in a healthy condition; and (iii) the repair, replacement and restriping of asphalt or concrete paving using the same type of material originally installed, to the end that such pavings at all times be kept in a level and smooth condition. In addition, Owner shall be required to maintain the Site in such a manner as to avoid the reasonable determination of a duly authorized official of the Agency that a public nuisance has been created by the absence of adequate maintenance such as to be detrimental to the public health, safety or general welfare or that such a condition of deterioration or disrepair causes appreciable harm or is materially detrimental to property

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or improvements within one thousand (1,000) feet of such portion of the Site.

2. Parking and Driveways. The driveways and traffic aisles on the Site shall be kept clear and unobstructed at all times. No vehicles or other obstruction shall project into any of such driveways or traffic aisles. Vehicles associated with the operation of the Site, including delivery vehicles, vehicles of employees and vehicles of persons with business on the Site shall park solely on the Site. All parking lot striping shall be maintained in good first-class order, condition, and appearance. Any restriping shall be approved in advance by the Director of Planning.

3. Tenant Compliance. Owner shall provide any proposed tenants of any portion of the Site with a copy of this Agreement and shall, prior to entering into any lease agreement, have the proposed tenant execute an affidavit agreeing to comply with the provisions of this Agreement. All lease agreements shall be in writing and shall contain provisions which make compliance with the conditions of this Agreement express covenants of the lease.

4. Right of Entry. In the event Owner fails to maintain the Site in the above-mentioned condition, and satisfactory progress is not made in correcting the condition within thirty (30) days from the date of written notice from Agency, City or Agency may, at their option, and without further notice to Owner, declare the unperformed maintenance to constitute a public nuisance. Thereafter, either Agency or City, their employees, contractors or agents, may cure Owner's default by entering upon the Site and performing the necessary landscaping and/or maintenance. The Agency or City shall give Owner or its representative reasonable notice of the time and manner of entry, and entry shall only be at such times and in such manner as is reasonably necessary to carry out this Regulatory Agreement. Owner shall pay such costs as are reasonably incurred by Agency or City for such maintenance, including attorneys' fees and costs.

5. Lien. If such costs are not reimbursed within thirty (30) days after Owners' receipt of notice thereof, the same shall be deemed delinquent, and the amount thereof shall bear interest thereafter at a rate of the lower of ten percent (10%) per annum or the legal maximum until paid. Any and all delinquent amounts, together with said interest, costs and reasonable attorney's fees, shall be a personal obligation of Owner as well as a lien and charge, with power of sale, upon the property interests of Owner, and the rents, issues and profits of such property. City and/or Agency may bring an action at law against Owner obligated to pay any such sums or foreclose the lien against Owner's property interests. Any such lien may be enforced by sale by the City or Agency following recordation of a Notice of Default of Sale given in the manner and time required by law as in the case of a deed of trust; such sale to be conducted in accordance with the provisions of Section 2924, et seq., of the California Civil Code, applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted by law.

Any monetary lien provided for herein shall be subordinate to any bona fide mortgage or deed of trust covering an ownership interest or leasehold or subleasehold estate in and to any portion of the Site approved by Agency pursuant to the DDA, and

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any purchaser at any foreclosure or trustee's sale (as well as any deed or assignment in lieu of foreclosure or trustee's sale) under any such mortgage or deed of trust shall take title free from any such monetary lien, but otherwise subject to the provisions hereof; provided that, after the foreclosure of any such mortgage and/or deed of trust, all other assessments provided for herein to the extent they relate to the expenses incurred subsequent to such foreclosure, assessed hereunder to the purchaser at the foreclosure sale, as owner of the subject portion of the Site after the date of such foreclosure sale, shall become a lien upon such portion of the Site upon recordation of a Notice of Assessment or Notice of Claim of Lien as herein provided.

6. Contact Person. Owner shall provide Agency with the name, address, and telephone number of the person to be contacted for purposes of notifying Owner of maintenance problems on the Site, including trash clean-up, improperly parked vehicles, and shopping cart retrieval

E. COMPLIANCE WITH LAWS.

1. State and Local Laws Owner shall comply with all ordinances, regulations and standards of the City and Agency applicable to the Site. Owner shall comply with all rules and regulations of any assessment district of the City with jurisdiction over the Site

2. Lease Approval. Agency shall have the right but is not required to approve any lease forms, revisions, amendments or modification made to same, used by the Project Manager for leasing any portion of the Site.

F. INSURANCE.

1. Duty to Procure Insurance Owner covenants and agrees for itself, and its assigns and successors-in-interest in the Site that from completion of the Project as evidenced by City's issuance of a certificate of occupancy, and continuing thereafter until the expiration of the Term of this Agreement, Owner or such successors and assigns shall procure and keep in full force and effect or cause to be procured and kept in full force and effect for the mutual benefit of Owner and Agency, and shall provide Agency evidence reasonably acceptable to Executive Director, insurance policies meeting the minimum requirements set forth below:

a Comprehensive General Liability insurance with respect to the Site and the operations of or on behalf of Owner, in an amount not less than Two Million Dollars (\$2,000,000) per occurrence combined single limit including products, completed operations, contractual, bodily injury, personal injury, death and property damage liability per occurrence, subject to such increases in amount as Agency may reasonably require from time to time The insurance to be provided by Owner may provide for a deductible or self-insured retention of not more than Ten Thousand Dollars (\$10,000), with such maximum amount to increase at the same rate as the periodic increases in the minimum amount of total insurance coverage set forth above.

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b With respect to the improvements and any fixtures and furnishings to be owned by Owner on the Site, All Risk Site insurance against fire, extended coverage, vandalism, and malicious mischief, and such other additional perils, hazards, and risks as now are or may be included in the standard "all risk" form in general use in Los Angeles County, California, with the standard form fire insurance coverage in an amount equal to full actual replacement cost thereof, as the same may change from time to time. The above insurance policy or policies shall include coverage for earthquake but only to the extent generally and commercially available at commercially reasonable rates. Agency shall be a loss payee under such policy or policies and such insurance shall contain a replacement cost endorsement.

c. All policies of insurance required to be carried by Owner shall be written by responsible and solvent insurance companies licensed in the State of California and having a policyholder's rating of A or better, in the most recent addition of "Best's Key Rating Guide -- Site and Casualty." A copy of each paid-up policy evidencing such insurance (appropriately authenticated by the insurer) or a certificate of the insurer, certifying that such policy has been issued, providing the coverage required herein, and containing the provisions specified herein, shall be delivered to Agency prior to its issuance of the Release of Construction Covenants for the Project and thereafter, upon renewals, not less than thirty (30) days prior to the expiration of coverage. Agency may, at any time, and from time to time, inspect and/or copy any and all insurance policies required to be procured by Owner hereunder. In no event shall the limits of any policy be considered as limiting the liability of Owner hereunder.

d. Each insurance policy required to be carried by Owner pursuant to this Agreement shall contain the following, endorsements, provisions or clauses:

(1) The insurer will not cancel or materially alter the coverage provided by such policy in a manner adverse to the interest of the insured without first giving Agency a minimum of thirty (30) days prior written notice by certified mail, return receipt requested, and

(2) A waiver by the insurer of any right to subrogation against Agency, its agents, employees, or representatives, which arises or might arise by reason of any payment under such policy or policies or by reason of any act or omission of Agency, its agents, officers, members, officials, employees, or representatives.

(3) The City, Agency, their respective agents, officers, members, officials, employees, volunteers, and representatives shall be named insureds on the Commercial General Liability policies.

(4) The City and Agency shall be loss payees on the All Risk Site insurance policies.

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(5) Coverage provided by these policies shall be primary and non-contributory to any insurance carried by the City, Agency, their officers, officials, employees, volunteers, agents, or representatives.

(6) Failure to comply with reporting provisions shall not affect coverage provided to City, Agency, their officers, employees, volunteers, agents, or representatives.

G. OBLIGATION TO REPAIR.

1. Obligation to Repair and Restore Damage Due to Casualty Covered by Insurance. Subject to Section G.3 below, if the Project shall be totally or partially destroyed or rendered wholly or partly uninhabitable by fire or other casualty required to be insured against by Owner, Owner shall promptly proceed to obtain insurance proceeds and take all steps necessary to begin reconstruction and, immediately upon receipt of insurance proceeds, to promptly and diligently commence the repair or replacement of the Project to substantially the same condition as the Project is required to be maintained in pursuant to this Agreement, whether or not the insurance proceeds are sufficient to cover the actual cost of repair, replacement, or restoration, and Owner shall complete the same as soon as possible thereafter so that the Project can continue to be operated and occupied as a retail shopping center in accordance with this Agreement. Subject to extensions of time for "force majeure" events described in the DDA, in no event shall the repair, replacement, or restoration period exceed one (1) year from the date Owner obtains insurance proceeds unless Agency's Executive Director, in his or her sole and absolute discretion, approves a longer period of time. Agency shall cooperate with Owner, at no expense to Agency, in obtaining any governmental permits required for the repair, replacement, or restoration. If, however, the then-existing laws of any other governmental agencies with jurisdiction over the Site do not permit the repair, replacement, or restoration, Owner may elect not to repair, replace, or restore the Project by giving notice to Agency (in which event Owner shall be entitled to all insurance proceeds but Owner shall be required to remove all debris from the Site) or Owner may reconstruct such other improvements on the Site as are consistent with applicable land use regulations and approved by the City, Agency, and the other governmental agency or agencies with jurisdiction.

If Owner fails to obtain insurance as required by the DDA or this Agreement (and Agency has not procured such insurance and charged Owner for the cost), Owner shall be obligated to reconstruct and repair any partial or total damage to the Project and improvements located on the site in accordance with this Section G.

2. Continued Operations. During any period of repair, Owner shall continue, or cause the continuation of, the operation of the Project to the extent reasonably practicable from the standpoint of prudent business management.

3. Damage or Destruction Due to Cause Not Required to be Covered by Insurance If the improvements comprising the Project are completely destroyed or substantially damaged by a casualty for which Owner is not required to (and has not)

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insure against, then Owner shall not be required to repair, replace, or restore such improvements and may elect not to do so by providing Agency with written notice of election not to repair, replace, or restore within ninety (90) days after such substantial damage or destruction. In such event, Owner shall remove all debris from the Site. As used in this Section G.3, "substantial damage" caused by a casualty not required to be (and not) covered by insurance shall mean damage or destruction which is fifty percent (50%) or more of the replacement cost of the improvements comprising the Project. In the event Owner does not timely elect not to repair, replace, or restore the improvements as set forth in the first sentence of this Section G.3, Owner shall be conclusively deemed to have waived its right not to repair, replace, or restore the improvements and thereafter Owner shall promptly commence and complete the repair, replacement, or restoration of the damaged or destroyed improvements in accordance with Section G.1 above and continue operation of the retail shopping center during the period of repair (if practicable) in accordance with Section G.2 above.

H. LIMITATION ON TRANSFERS.

The Owner covenants that Owner shall not transfer the Site or any of its interests therein except as provided in this Section.

1. Transfer Defined. As used in this section, the term "transfer" shall include any assignment, hypothecation, mortgage, pledge, conveyance, or encumbrance of this Agreement, the Site, or the improvements thereon. A transfer shall also include the transfer to any person or group of persons acting in concert of more than twenty-five percent (25%) of the present ownership and/or control of Owner in the aggregate taking all transfers into account on a cumulative basis. In the event Owner or its successor is a corporation, limited liability company, or trust, such transfer shall refer to the transfer of the issued and outstanding capital stock of Owner, or of membership interests or of beneficial interests of such trust, as applicable; in the event that Owner is a limited or general partnership, such transfer shall refer to the transfer of more than twenty-five percent (25%) of the limited or general partnership interest; in the event that Owner is a joint venture, such transfer shall refer to the transfer of more than twenty-five percent (25%) of the ownership and/or control of any such joint venture partner, taking all transfers into account on a cumulative basis.

2. Prohibited Transfer. No attempted assignment or transfer of any of Owner's obligations hereunder for the Term of this Agreement shall be effective unless and until the successor party executes and delivers to Agency an assumption agreement in a form approved by the Agency assuming such obligations. Upon execution and approval of an assumption agreement as provided for herein, the assignor/transferor shall be released and have no further obligations or liability under this Agreement with respect to the interest which is transferred.

3. Exceptions. Notwithstanding any other provision set forth in this Agreement to the contrary, the restrictions on transfer set forth in this Section G shall not apply and Agency approval of a transfer shall not be required in connection with any of the following:

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a. Any mortgage, deed of trust, or other form of conveyance for financing or refinancing Developer's direct and indirect costs to acquire the Site and develop the Project thereon, as described in the DDA, provided that Owner shall notify Agency in advance of any such mortgage, deed of trust, or other form of conveyance for financing pertaining to the Site, and further provided that the amount of indebtedness incurred in restructuring or refinancing shall not exceed the outstanding balance on the debt incurred to finance the direct and indirect costs to acquire the Site and develop the Project thereon and any additional sums (including reasonable costs incurred with respect to such restructuring or refinancing) to complete the same.

b. The conveyance or dedication of any portion of the Site to the City or other appropriate governmental agency, or the granting of easements or permits to facilitate the development of the Site

c. A sale or transfer of 50% or more of ownership or control interest between members of the same family; or transfers to a trust, testamentary or otherwise, in which the beneficiaries consist solely of members of the trustor's family, or transfers to a corporation or partnership or other legal entity in which the members of the transferor's family have a controlling majority interest of 51% or more.

d. A sale or transfer of Owner's interest to another entity in which Nick Barron individually or collectively owns at least 50% of the ownership interest and has management control.

I. DEFAULTS AND REMEDIES.

1. Defaults. The occurrence of any of the following, whatever the reason therefor, shall constitute a Default:

a. The failure by either party to perform any of its obligations set forth in this Agreement, if such failure is not cured within thirty (30) days (unless otherwise provided) after the nonperforming party's receipt of written notice from the other party that such obligation was not performed when due, or

b. The Site is materially damaged or destroyed by fire or other casualty during the Term herein and Owner fails to commence restoration of the Site within a reasonable time or thereafter fails to diligently proceed to complete such restoration of the Site in accordance with this Agreement; or

c. Owner is dissolved, liquidated, or terminated, or all or substantially all of the assets of Owner are sold or otherwise transferred during the Term; provided, however, that the foregoing shall not constitute a Default by Owner in the event the Project continues to operate on the

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Site and Owner has performed and continues to performs all of its obligations set forth in this Agreement; or

d. During the Term, Owner is the subject of an order for relief by a bankruptcy court, or is unable or admits its inability to pay its debts as they mature, or makes an assignment for the benefit of creditors; or Owner applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator, or similar officer for it or any part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator, or similar officer is appointed without the application or consent of Owner, and the appointment continues undischarged or unstayed for ninety (90) days; or Owner institutes or consents to any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, custodianship, conservatorship, liquidation, rehabilitation, or similar proceeding relating to it or any part of its property, or any similar proceeding is instituted without the consent of Owner, and continues undismissed or unstayed for ninety (90) days; or any judgment, writ, warrant of attachment or execution, or similar process is issued or levied against any property of Owner and is not released, vacated, or fully bonded within ninety (90) days after its issue or levy. City acknowledges that the occurrence of any of the events set forth in this Section I.1.d shall not constitute a Default by Owner in the event operation of the Project continues on the Site and Owner has performed and continues to perform all of its obligations set forth in this Agreement.

2. Agency's Remedies Upon Default by Owner.

Upon the occurrence of any Default by Owner, and after Owner's receipt of written notice of default and expiration of the time for Owner to cure such Default as provided in Section I.1, Agency may at its option do any or all of the following:

- a Accelerate Owner's repayment of the Owner-Generated Revenues pursuant to Section C 4; or
- b Pursue specific performance or other equitable remedies Agency may have against Owner in accordance with applicable law.

3. Owner's Remedies Upon Default by Agency.

Upon the occurrence of any Default by Agency, and after Agency's receipt of written notice of Default from Owner and expiration of the time for Agency to cure such Default as provided in Section I 1, Owner may terminate this Agreement by written notice to Agency and seek whatever legal remedies may be available to Owner in accordance with applicable law.

4. Cumulative Remedies No Waiver.

Except as expressly provided herein, the nondefaulting party's rights and remedies

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hereunder are cumulative and in addition to all rights and remedies provided by law from time to time and the exercise by the nondefaulting party of any right or remedy shall not prejudice such party in the exercise of any other right or remedy. None of the provisions of this Agreement shall be considered waived by either party except when such waiver is delivered in writing. No waiver of any Default shall be implied from any omission by Agency to take action on account of such Default if such Default persists or is repeated. No waiver of any Default shall affect any Default other than the Default expressly waived, and any such waiver shall be operative only for the time and to the extent stated. No waiver of any provision of this Agreement shall be construed as a waiver of any subsequent breach of the same provision. A party's consent to or approval of any act by the other party requiring further consent or approval shall not be deemed to waive or render unnecessary the consenting party's consent to or approval of any subsequent act. A party's acceptance of the late performance of any obligation shall not constitute a waiver by such party of the right to require prompt performance of all further obligations. A party's acceptance of any performance following the sending or filing of any notice of Default shall not constitute a waiver of that party's right to proceed with the exercise of its remedies for any unfulfilled obligations. A party's acceptance of any partial performance shall not constitute a waiver by that party of any rights relating to the unfulfilled portion of the applicable obligation.

5. Limitations on Agency's Liability. Owner acknowledges and agrees that:

a. The relationship between Owner and Agency pursuant to this Agreement is and shall remain solely that of contracting parties, and, Agency neither undertakes nor assumes any responsibility pursuant to this Agreement to review, inspect, supervise, approve, or inform Owner of any matter in connection with the Site, including matters relating to architects, designers, suppliers, or the materials used by any of them, and Owner shall rely entirely on its own judgment with respect to such matters; provided, that nothing herein is intended to release Agency from whatever obligations it may have pursuant to applicable laws independent of this Agreement

b. Agency shall not be directly or indirectly liable or responsible for any loss or injury of any kind to any person or property resulting from any construction on, or occupancy or use of, the Site (except to the extent proximately caused by Agency's active negligence or intentional misconduct), whether arising from: (i) any defect in any building, grading, landscaping, or other on Site or off Site improvement, (ii) any act or omission of Owner or any of Owner's agents, employees, independent contractors, licensees, or invitees, or (iii) any accident on the Site or any fire or other casualty or hazard thereon; and

c. By accepting or approving anything required to be performed or given to Agency under this Agreement, including any certificate other than building permits or approvals, survey, appraisal, or insurance policy, Agency shall not be deemed to have warranted or represented the sufficiency or legal effect of the same, and no such acceptance or approval shall constitute a warranty or representation by Agency to anyone.

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J. SUBORDINATION.

Agency agrees that this Agreement and Owner's obligation to repay the Owner-Generated Revenues shall be junior and subordinate to the lien of any mortgagee, deed of trust, assignment of rents, and similar security instrument which secures any loan or loans obtained by Owner to operate the Store on the Site as determined by Owner in its reasonable discretion (collectively, the "Senior Lien"). Agency shall cooperate with Owner and the holder(s) of the Senior Lien and any lender refinancing the Senior Lien to execute such documents (at no cost to Agency) as may be reasonably requested by Owner or such holder or lender to confirm the continued junior and subordinate status of this Agreement. If this Agreement is terminated as a result of any foreclosure by the holder of a Senior Lien or lender refinancing same, neither Agency nor Owner (nor any permissible assignee or successor to any of them) shall have any further rights or obligations hereunder.

K. NONDISCRIMINATION. 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 Site, or any part thereof, nor shall Owner, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Site, or any part thereof.

L. COVENANTS TO RUN WITH THE LAND. Owner hereby subjects the Site to the covenants, reservations, and restrictions set forth in this Agreement. Agency and Owner hereby declare their express intent that all such covenants, reservations, and restrictions shall be deemed covenants running with the land and shall pass to and be binding upon the Owner's successors in title to the Site, provided, however, that on the termination of this Agreement said covenants, reservations and restrictions shall expire. All covenants without regard to technical classification or designation shall be binding for the benefit of the Agency, and such covenants shall run in favor of the Agency for the entire term of this Agreement, without regard to whether the Agency is or remains an owner of any land or interest therein to which such covenants relate. Each and every contract, deed or other instrument hereafter executed covering or conveying the Site or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations, and restrictions, regardless of whether such covenants, reservations, and restrictions are set forth in such contract, deed or other instrument.

Agency and Owner hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the land in that Owner's legal interest in the Site is rendered less valuable thereby. Agency and Owner hereby further declare their understanding and intent that the benefit of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Project by Owner, the intended beneficiaries of such covenants, reservations, and restrictions, and by furthering the public purposes for which the Agency was formed.

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Owner, in exchange for the Agency entering into the DDA, hereby agrees to hold, sell, and convey the Site subject to the terms of this Agreement. Owner also grants to the Agency the right and power to enforce the terms of this Agreement against the Owner and all persons having any right, title or interest in the Site or any part thereof, their heirs, successive owners and assigns.

M. INDEMNIFICATION. Owner agrees for itself and its successors and assigns to indemnify, defend, and hold harmless Agency, City, and their respective officers, members, officials, employees, agents, volunteers, and representatives from and against any loss, liability, claim, or judgment relating in any manner to the Project excepting only any such loss, liability, claim, or judgment arising out of the intentional wrongdoing or gross negligence of Agency, City, or their respective officers, officials, employees, members, agents, volunteers, or representatives. Owner, while in possession of the Site, and each successor or assign of Owner while in possession of the Site, shall remain fully obligated for the payment of property taxes and assessments in connection with the Site. The foregoing indemnification, defense, and hold harmless agreement shall only be applicable to and binding upon the party then owning the Site or applicable portion thereof.

N. ATTORNEYS' FEES In the event that a party to this Agreement brings an action against the other party hereto by reason of the breach of any condition, covenant, representation or warranty in this Agreement, or otherwise arising out of this Agreement, the prevailing party in such action shall be entitled to recover from the other reasonable expert witness fees, and its attorney's fees and costs. Attorney's fees shall include attorney's fees on any appeal, and in addition a party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, including the conducting of discovery.

O. AMENDMENTS. This Agreement shall be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the real property records of the County of Los Angeles.

P NOTICE. Any notice required to be given hereunder shall be made in writing and shall be given by personal delivery, certified or registered mail, postage prepaid, return receipt requested, at the addresses specified below, or at such other addresses as may be specified in writing by the parties hereto:

If to Developer: NICK AND SHIRLEY BARRON
4600 Rivergrade Road
Irvine, CA 91706
Attn: Nick Barron

A copy to: David D. Meyer, AICP
10722 Arrow Route, Suite 822
Rancho Cucamonga, CA 91730

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If to Agency: IRWINDALE COMMUNITY REDEVELOPMENT AGENCY
5050 Irwindale Avenue
Irwindale, California 91706
Attention: Executive Director

A copy to: ALESHIRE & WYNDER, LLP
18881 Von Karman Avenue, Suite 400
Irvine, California 92612
Attn: Fred Galante, Esq

The notice shall be deemed given three (3) business days after the date of mailing, or, if personally delivered, when received.

Q. SEVERABILITY/WAIVER/INTEGRATION.

1. Severability. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

2. Waiver. A waiver by either party of the performance of any covenant or condition herein shall not invalidate this Agreement nor shall it be considered a waiver of any other covenants or conditions, nor shall the delay or forbearance by either party in exercising any remedy or right be considered a waiver of, or an estoppel against, the later exercise of such remedy or right.

3. Integration This Agreement contains the entire Agreement between the parties and neither party relies on any warranty or representation not contained in this Agreement.

R. FUTURE ENFORCEMENT The parties hereby agree that should the Agency cease to exist as an entity at any time during the term of this Agreement, the City of Irwindale shall have the right to enforce all of the terms and conditions herein, unless the Agency had previously specified another entity to enforce this Agreement.

S. GOVERNING LAW. This Agreement shall be governed by the laws of the State of California.

T. COUNTERPARTS This Agreement may be executed in any number of counterparts, each of which shall constitute one original and all of which shall be one and the same instrument.

[END -- SIGNATURES ON NEXT PAGE]

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IN WITNESS WHEREOF, the Agency and Owner have executed this Regulatory Agreement and Declaration of Covenants and Restrictions by duly authorized representatives on the date first written hereinabove.

ATTEST:

"AGENCY":

IRWINDALE COMMUNITY
REDEVELOPMENT AGENCY

By: [Signature]
Agency Secretary
Assistant

By: [Signature]
Executive Director

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

By: [Signature]
Fred Galante, Agency Counsel

"OWNER"

NICK AND SHIRLEY BARRON, husband and
wife, as joint tenants

By: [Signature]
Nick Barron

By: [Signature]
Shirley Barron

[END OF SIGNATURES]

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STATE OF CALIFORNIA)
) ss
COUNTY OF LOS ANGELES)

On May 1, 2006, before me, Linda J. Kimbro, Notary Public personally appeared

Robert Griego
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]
Notary Public

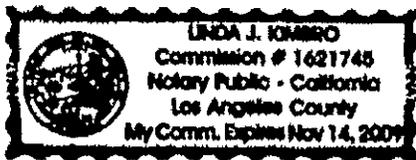
{SEAL}

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On May 1, 2006, before me, Linda J. Kimbro, Notary Public personally appeared

Shirley Barron and Nick Barron
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.

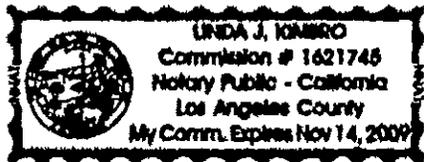
WITNESS my hand and official seal.



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Linda J. Romero

 Notary Public

[SEAL]

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EXHIBIT "A"

LEGAL DESCRIPTION OF SITE

That certain real property located in the City of Irwindale, County of Los Angeles, State of California, more particularly described as:

Legal Description (APN 8535-020-0035)

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF LOS ANGELES, DESCRIBED AS FOLLOWS:

PARCEL 1:

THAT PORTION OF RIVERGRADE ROAD, AS DESCRIBED IN PARCEL B OF THE LAND DESIGNATED AS PARCEL NO 1-12 IN THE SUPERIOR COURT OF LOS ANGELES COUNTY, CASE NO 602687, NOTICE OF THE PENDENCY OF SAID ACTION WAS RECORDED ON AUGUST 11, 1952, AS INSTRUMENT NO. 2031, IN BOOK 39577, PAGE 345 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDED OF SAID COUNTY, WHICH IS WITHIN LOT 5 OF FRACTIONAL SECTION 12, TOWNSHIP 1 SOUTH, RANGE 11 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF IRWINDALE, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE, NORTHWESTERLY OF AN PARALLEL AND CONCENTRIC WITH THE CENTERLINE OF RIVERGRADE ROAD AS DESCRIBED IN SAID INSTRUMENT NO. 2031.

SAID PORTION IS BOUNDED SOUTHWESTERLY BY AN "ACCESS DENIED" LINE SHOWN ON THE STATE OF CALIFORNIA, DEPARTMENT OF TRANSPORTATION, RIGHT-OF-WAY MAP NO. F1970-5 SAID LINE IS SHOWN AS "NORTH 37° 49' 26" WEST, 50 04 FEET" ON SAID RIGHT-OF-WAY MAP.

PARCEL 2:

THAT PORTION OF RIVERGRADE ROAD, AS DESCRIBED IN PARCEL B OF THE LAND DESIGNATED AS PARCEL NO. 1-11 IN THE SUPERIOR COURT OF LOS ANGELES COUNTY, CASE NO. 602687, NOTICE OF THE PENDENCY OF SAID ACTION WAS RECORDED ON AUGUST 11, 1952, AS INSTRUMENT NO. 2031, IN BOOK 39577, PAGE 345, OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDED OF SAID COUNTY, WHICH IS WITHIN LOT 4 OF FRACTIONAL SECTION 12, TOWNSHIP 1 SOUTH, RANGE 11 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF IRWINDALE, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE, NORTHWESTERLY OF AND PARALLEL AND CONCENTRIC WITH THE CENTERLINE OF RIVERGRADE ROAD AS DESCRIBED IN SAID INSTRUMENT NO 2031.

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Legal Description (APN 8535-020-031)

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF LOS ANGELES, DESCRIBED AS FOLLOWS.

A STRIP OF LAND WITHIN LOT 4 OF FRACTIONAL SECTION 12, TOWNSHIP 1 SOUTH, RANGE 11 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF IRWINDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE, DESCRIBED AS FOLLOWS:

THE SOUTHEASTERLY 35.00 FEET OF RIVERSIDE ROAD, AS DESCRIBED IN PARCEL A OF THE LAND DESIGNATED AS PARCEL NO. 1-11 IN THE SUPERIOR COURT OF LOS ANGELES COUNTY, CASE NO. 402687, NOTICE OF THE PENDENCY OF SAID ACTION WAS RECORDED ON AUGUST 11, 1952 AS INSTRUMENT NO. 2031, IN BOOK 39577, PAGE 345 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDED OF SAID COUNTY.

SAID STRIP TO TERMINATE NORTHEASTERLY IN THE EAST LINE OF SAID LOT 4 AND SOUTHWESTERLY IN THE SOUTH LINE OF SAID LOT 4.

Legal Description (APN 8535-020-008)

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF LOS ANGELES, DESCRIBED AS FOLLOWS:

THAT PORTION OF LOT 4 IN SECTION 12, TOWNSHIP 1 SOUTH RANGE 11 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF IRWINDALE, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE JANUARY 7, 1868 DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 4, THENCE NORTHERLY ALONG THE EASTERLY LINE OF SAID LOT 4 TO THE SOUTHEASTERLY LINE OF RIVERGRADE ROAD, AS DESCRIBED IN PARCEL A OF THE LAND DESIGNATED AS ARCEL NO 1-11 IN THE SUPERIOR COURT OF LOS ANGELES COUNTY, CASE NO. 602687, NOTICE OF THE PENDENCY OF SAID ACTION WAS RECORDED ON AUGUST 11, 1952 AS INSTRUMENT NO. 2031 IN BOOK 39577 PAGE 345, OFFICIAL RECORDS IN THE OFFICE OF THE COUNTY RECORDED OF SAID COUNTY, THENCE SOUTHWESTERLY ALONG SAID RIVERGRADE ROAD TO THE SOUTHERLY LINE OF SAID LOT 4; THENCE EASTERLY ALONG SAID SOUTHERLY LINE TO THE POINT OF BEGINNING

EXCET THEREFROM THAT PORTION OF SAID LAND DESCRIBED AS

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FOLLOWS: BEGINNING AT THE SOUTHEASTERLY CORNER OF SAID LOT 4; THENCE ALONG THE EASTERLY LINE OF SAID LOT 4 NORTH 0° 26' 40" WEST 297.76 FEET TO A POINT IN A NON-TANGENT CURVE CONCAVE NORTHWESTELRY HAVING A RADIUS OF 2000.00 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 63° 27' 08" EAST; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH AN ANGLE OF 10° 08' 23" AN ARC DISTANCE OF 353.94 FEET TO THE SOUTHERLY LINE OF SAID LOT 4; THENCE ALONG SAID SOUTHERLY LINE NORTH 89° 00' 14" EAST 187.65 FEET TO THE POINT OF THE BEGINNING.

(APN 8535-020-044)

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF LOS ANGELES, DESCRIBED AS FOLLOWS:

PARCEL 2, AS SHOWN ON THE PARCEL MAP NO. 23240, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, FILED IN BOOK 257 PAGES 34 AND 35 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND AS MODIFIED BY THAT CERTIFICATE OF CORRECTION RECORDED FEBRUARY 16, 1993 AS INSTRUMENT NO. 93-291037, OFFICIAL RECORDS

EXCEPT THEREFROM ALL MINERALS, OILS, GASES, AND OTHER HYDROCARBONS BY WHATSOEVER NAME KNOWN THAT MAY BE WITHIN OR UNDER THE PARCEL OF LAND HEREINABOVE DESCRIBED WITHOUT, HOWEVER, THE RIGHT TO DRILL, DIG OR MINE THROUGH THE SURFACE OF THE UPPER 500 FEET THEREOF, AS RESERVED BY THE STATE OF CALIFORNIA IN DEED RECORDED JUNE 27, 1972 AS INSTRUMENT NO. 3793, OFFICIAL RECORDS.

05/03/06

06 0969393



4800 Rivergrade Road • Irwindale, California 91706
(626) 969-8844 Fax (626) 969-3411

August 10, 2016

Mr. John Davidson, City Manager
City of Irwindale
5050 North Irwindale Avenue
Irwindale, CA 91706

RECEIVED

AUG 10 2016

CITY OF IRWINDALE
OFFICE OF CITY MANAGER

SUBJECT: HALLETT BOATS DDA
4800 Rivergrade Road
Irwindale, CA 91706

Dear Mr. Davidson:

With the assistance of the Irwindale Redevelopment Agency I relocated my boat building and sales enterprise to 4800 Rivergrade Road. We opened for business at this location in September 2007.

Current circumstances require that I sell this location. In order to complete the sale it is imperative that I complete my obligations as set forth in the Agency's Disposition and Development Agreement. Therefore I respectfully request that I be advised of the nature and extent of my financial obligation to the Redevelopment Agency and the City, if any.

It has been a pleasure to operate my business in the City of Irwindale for over the past fifty years.

Sincerely,

Nick Barron
Hallett Boats
4800 Rivergrade Road
Irwindale, CA 91706

Office: (626)969-8844
Fax (626)969-3411

A handwritten signature in black ink, appearing to read "Nick Barron", written over a horizontal line.

**RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:**

City of Irwindale
5050 Irwindale Avenue
Irwindale, CA 91706
Attn: City Clerk

[SPACE ABOVE FOR RECORDER'S USE ONLY]
Exempt from filing/recording fees per Govt. Code §27383

**RELEASE OF REGULATORY AGREEMENT AND
DECLARATION OF COVENANTS AND RESTRICTIONS**

CITY OF IRWINDALE ACTING AS THE SUCCESSOR AGENCY TO THE IRWINDALE COMMUNITY REDEVELOPMENT AGENCY ("Successor Agency") and the CITY OF IRWINDALE, a municipal corporation ("City") find as follows in regards to that certain "Regulatory Agreement and Declaration of Covenants and Restrictions" dated August 17, 2004 and recorded on May 3, 2006 as Instrument No. 06-0969393 in the Official Records of Los Angeles County, California ("Regulatory Agreement"):

WHEREAS, the undersigned determines that the current owner ("**Owner**") of the property ("**Property**") subject to the Regulatory Agreement has substantially complied with the requirements of Section C insofar as it has satisfactorily performed the majority of the term therein, despite the effect of the economic impact of the Great Recession of 2008 on the Owner's business; and

WHEREAS, due to the elimination of redevelopment agencies in California, no further resources exist to remedy said economic impacts; and

WHEREAS, the Owner wishes to move to another location within the City of Irwindale and continue operations of the business subject to the Regulatory Agreement, while reducing costs to Owner's business attendant with operating at the Property; and

WHEREAS, to allow for the sale of the Property to an identified user anticipated to yield higher property, utility and potentially sales tax benefits, and allow the Owner to relocate within the City in a manner so as to allow its business to succeed, the release of the Regulatory Agreement is appropriate;

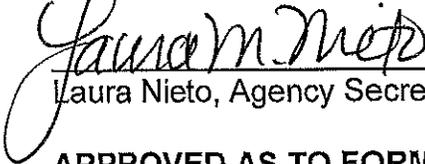
NOW, THEREFORE, the Successor Agency and City each hereby release any and all interests it may have under the Regulatory Agreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, this instrument has been executed on behalf of the entities by its respective authorized officers as of 26th day of September, 2016.

SUCCESSOR AGENCY:

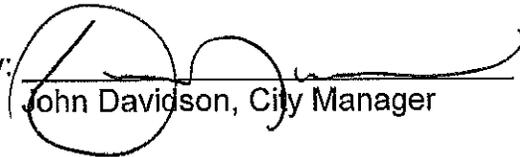
ATTEST:



Laura Nieto, Agency Secretary

**CITY OF IRWINDALE AS THE
SUCCESSOR AGENCY TO THE
IRWINDALE COMMUNITY
REDEVELOPMENT AGENCY**

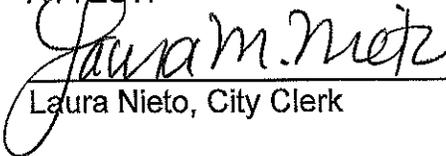
APPROVED AS TO FORM:

By: 

John Davidson, City Manager

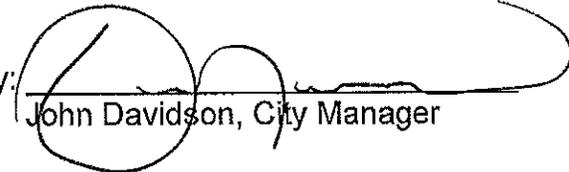
CITY:

ATTEST:



Laura Nieto, City Clerk

**CITY OF IRWINDALE,
a municipal corporation**

By: 

John Davidson, City Manager

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA)
COUNTY OF Los Angeles) ss.

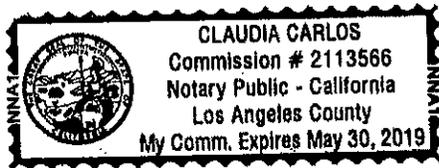
On September 26, 2016 before me, Claudia Carlos, a notary public, personally appeared John Davidson who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their 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]
Notary Public

SEAL:



OPEN SESSION – 6:00 P.M.

A. CALL TO ORDER

B. PLEDGE OF ALLEGIANCE

C. ROLL CALL / INTRODUCTIONS

- Lydia Cano, Representative of the Los Angeles County Board of Education
- Loretta Corpis, Representative of the City of Irwindale
- Camille Diaz, Representative of the City of Irwindale
- J. Suzie Hsi, Representative of the County of Los Angeles
- Vacant, Representative of the Consolidated Fire Protection District of Los Angeles County
- Bill Scroggins, Representative of the Chancellor of the California Community Colleges
- Teresa Villegas, Representative of the County of Los Angeles

SPONTANEOUS COMMUNICATIONS

Comments must pertain to business of the Oversight Board. Please limit comments to two (2) minutes.

1. CONSENT CALENDAR

The Consent Calendar contains matters of routine business and is to be approved with one motion unless a member of the City Council requests separate action on a specific item. At this time, members of the audience may ask to be heard regarding an item on the Consent Calendar.

A. Release of Regulatory Agreement for Hallett Boats / Nick and Shirley Barron

Ratify the approval of a Release of Regulatory Agreement between the former Irwindale Community Redevelopment Agency (ICRA), City, and Nick and Shirley Barron.

2. NEW BUSINESS



**OVERSIGHT BOARD
OF THE SUCCESSOR
AGENCY TO THE
IRWINDALE COMMUNITY
REDEVELOPMENT AGENCY**

LYDIA CANO
Rep. of County Board of
Education

LORETTA CORPIS
Rep. of Mayor of Irwindale

CAMILLE DIAZ
Rep. of Mayor of Irwindale

J. SUZIE HSI
Rep. of County Board of
Supervisors

VACANT
Rep. of Consolidated Fire
Protection District of Los
Angeles County

BILL SCROGGINS
Rep. of Chancellor of
California Community
Colleges

TERESA VILLEGAS
Rep. of County Board of
Supervisors

DATE: November 17, 2016

TO: Oversight Board of the Successor Agency to the Irwindale Community Redevelopment Agency

FROM: John Davidson, Executive Director
Gustavo Romo, Community Development Director

SUBJECT: Amendment No. 4 to the Purchase and Sale Agreement (PSA) for 242 Live Oak Avenue

Recommendation

That the Oversight Board take the following action:

1. ADOPT RESOLUTION NO. 2016-XX-XXX APPROVING AMENDMENT NO. 4 TO THE PURCHASE AND SALE AGREEMENT FOR 242 LIVE OAK AVENUE BETWEEN THE SUCCESSOR AGENCY AND PDC LA/SD LLC.

Discussion

Following their 2015 approval of an original purchase and sale agreement by the Successor Agency, Oversight Board and Department of Finance, the Successor Agency to the Irwindale Community Redevelopment Agency ("Successor Agency") is proposing to an amendment to extend the closing date for the sale of the 3.36-acre site located at 242 Live Oak Avenue, Irwindale ("Property"), also known as Property No. 11 in the Successor Agency's approved Long-Range Property Management Plan ("LRPMP"), to the PDC LA/SD LLC ("Purchaser").

Context

Pursuant to the adopted Long Range Property Management Plan, the Successor Agency has undertaken the process to sell certain real property received from the former Irwindale Community Redevelopment Agency, including a 3.36-acre parcel of undeveloped land at 242 Live Oak Avenue, Irwindale (Assessor's Parcel Number 8532-004-900).

After solicitation of offers, the Successor Agency selected PDC LA/SD LLC (also known as Panattoni Development Company) as the buyer for 242 Live Oak Avenue, and on July 22, 2015 the Successor Agency approved a purchase and sale agreement ("PSA") for the \$2,500,000 transaction. The Oversight Board later approved the same PSA, on August 20, 2015.

The PSA includes several terms and conditions for closing, including receipt of entitlements and building permits for development of a +/- 77,000 square-foot industrial building on the site. The schedule of performance is included in the PSA and, under the original agreement, may be extended by the Executive Director for up to 180 days, after which the PSA would need to be amended by the Successor Agency and Oversight Board.

Since the July 2015 approval, the process to entitle and issue building permits for the Panattoni development has taken longer than originally anticipated. Consistent with the PSA, the Executive Director approved three (3) subsequent amendments to the PSA's schedule of performance to extend the contingency and closing date for the 242 Live Oak Avenue escrow. These prior amendments are enumerated on the following page:

1. First Amendment dated February 1, 2016, to extend the contingency period by one month, from February 7, 2016 to March 7, 2016.
2. Second Amendment dated March 7, 2016, to extend the contingency period by one month, from March 7, 2016 to April 6, 2016
3. Third Amendment dated March 30, 2016 to extend the contingency period to June 6, 2016 and the outside closing date to October 6, 2016.

The PSA does not allow for additional extensions of the schedule of performance outside of the 180 day maximum imposed by the Third Amendment without prior approval by the Successor Agency and Oversight Board. For this reason, staff is recommending that the Oversight Board consider an amendment to the schedule of performance to extend by another 180 days the outside closing date, to April 4, 2016.

Analysis of Proposal

On October 12, 2016, the City Council held a public hearing and approved the entitlements for development of 242 Live Oak Avenue, consisting of a Negative Declaration and approving a Site Plan and Design Review Permit No. 01-2016, subject to attendant conditions of approval. Prior to closing, Panattoni will need to receive building permits from the City as well, which may still take several months.

Presently, the applicant is delayed due to water capacity issues that may require coordination with the local water agencies or constructing an onsite water tank for the project. An additional delay has pertained to obtaining a formal emergency access easement from a private alley south of the property, which requires consent from the neighboring property owner. Both matters are not considered to be substantial hurdles to overcome but have taken more time than anticipated.

A copy of the proposed Oversight Board resolution and fourth amendment to the PSA are enclosed with this agenda report. Staff is recommending a 180-day extension to the outside closing date, extending from October 6, 2016 to April 4, 2017 to allow sufficient time to resolve these remaining issues prior to issuance of a building permit and closing the sale of 242 Live Oak Avenue. The Successor Agency considered and approved the enclosed fourth amendment to the PSA on November 9, 2016.

Fiscal Impact

Approval of the extension of the outside closing date to April 4, 2017 would not result in any direct costs to the Oversight Board or any of the taxing agencies. It would, however, result in some unavoidable

delay in the distribution of proceeds from the sale of 242 Live Oak Avenue to the taxing agencies, including the City, because of the extension of closing to April 2017.

ATTACHMENT: Resolution No. 2016-XX-XXX with Exhibit:
A) Amendment No. 4 to the Purchase and Sale Agreement

PREPARED BY: **JIM SIMON**, ECONOMIC DEVELOPMENT/SUCCESSOR AGENCY
CONSULTANT, RSG INC.
714.316.2120
jsimon@webrsg.com

NATHAN GUNDERMAN, ECONOMIC DEVELOPMENT/SUCCESSOR
AGENCY CONSULTANT, RSG INC.
714.316.2104
ngunderman@webrsg.com

OVERSIGHT BOARD RESOLUTION NO. 2016-XX-XXX

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE IRWINDALE COMMUNITY REDEVELOPMENT AGENCY APPROVING AMENDMENT NO. 4 TO THE PURCHASE AND SALE AGREEMENT (PSA) FOR 242 LIVE OAK AVENUE BETWEEN THE SUCCESSOR AGENCY AND PDC LA/SD LLC

WHEREAS, pursuant to the dissolution of redevelopment agencies per Assembly Bill ("AB") ABX1 26 (Chapter 5, Statutes of 2011) and ABX1 27 (Chapter 6, Statutes of 2011), and subsequent legislation, AB 1484 (Chapter 26, Statutes of 2012) (altogether, "Dissolution Act"), the City of Irwindale ("City") adopted Resolution No. 2012-08-2547 on January 11, 2012, electing to serve as Successor Agency to the Irwindale Community Redevelopment Agency ("Successor Agency"); and

WHEREAS, the property located at 242 Live Oak Avenue ("Property") was included in the Successor Agency's Long-Range Property Management Plan ("LRPMP"), which was prepared pursuant to the Dissolution Act and described the proposed plans for disposition of all 25 real estate assets owned by the Irwindale Community Redevelopment Agency at the time of redevelopment dissolution; and

WHEREAS, the LRPMP, approved by the California Department of Finance on August 8, 2014, indicated that the Successor Agency would sell the Property; and

WHEREAS, the Successor Agency approved a Purchase and Sale Agreement for 242 Live Oak Avenue with PDC LA/SD LLC ("Buyer") on July 22, 2015 by Resolution No. 2015-43-2772 ("PSA"); and

WHEREAS, consistent with the PSA, the Buyer has requested and received the maximum duration of extensions for the outside closing date for the PSA in the form of three amendments approved by the Executive Director of the Successor Agency, and has indicated to Successor Agency staff that an additional 180 days is needed to complete the activities necessary to secure a building permit from the City of Irwindale; and

WHEREAS, a proposed fourth amendment to the PSA for 242 Live Oak Avenue is enclosed herewith ("Fourth Amendment"); and

WHEREAS, the Successor Agency approved the Fourth Amendment at its regular meeting held on November 9, 2016; and

WHEREAS, notice of the Oversight Board meeting to consider the Fourth Amendment was duly posted by the City Clerk on November 7, 2016.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE IRWINDALE COMMUNITY REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

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

Section 2. Approval of the Fourth Amendment to the Purchase and Sale Agreement. The Oversight Board hereby approves the fourth amendment to the Purchase and Sale Agreement for 242 Live Oak Avenue in the form attached herewith as Exhibit "A", thereby extending the outside closing date to Tuesday, April 4, 2017, subject to the subsequent approval by the Oversight Board.

PASSED AND ADOPTED at a special meeting of the Oversight Board of the Successor Agency to the Irwindale Community Redevelopment Agency, on the 17th day of November, 2016, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Bill Scroggins, Chairman

ATTEST:

Laura Nieto, Secretary

Exhibit 1

Amendment No. 4 to the Purchase and Sale Agreement
242 Live Oak Avenue

Successor Agency to the Irwindale Community Redevelopment Agency
and
PDC LA/SD LLC

[see following]



City of Irwindale
5050 N. Irwindale Avenue • Irwindale, California 91706
Voice: 626-430-2270 • Facsimile: 626-962-2018

November ____, 2016

Mark D. Payne
PDC LA/SD LLC
c/o Panattoni Development
20411 SW Birch Street, Suite 200
Newport Beach, CA 92660

SUBJECT: 180-Day Extension of the Outside Closing Date Approved by the Irwindale Successor Agency Executive Director for 242 Live Oak Avenue, Irwindale

Dear Mr. Payne,

Based on unforeseen circumstances that have arisen during your contingency period for the property located at 242 Live Oak Avenue in Irwindale ("Site"), PDC LA/SD LLC's ("Purchaser") request for a 180-day outside closing date extension are hereby **APPROVED**, subject to the conditions described herein. We understand that the Purchaser is requesting these extensions based on delays in obtaining building permits.

Section 11 of the PSA established an outside closing date of 240 days following the opening of escrow. Escrow opened on August 13, 2015; thus, the original outside closing date was April 9, 2016, which has been subsequently amended by three prior amendments approved by the Successor Agency Executive Director to October 6, 2016. **The outside closing date is hereby extended 180 days to 5:00 p.m. Pacific time on Tuesday, April 4, 2017.**

Except as modified and amended by this Fourth Amendment, all other provisions of the PSA shall remain unchanged and in full force and effect.

Please sign below to acknowledge concurrence and acceptance of this PSA outside closing date extension and return the original signed letter to the Seller before 5:00 p.m. Pacific time on November 21, 2016 to the attention of our Community Development Director, Gus Romo, at the address shown below:

Gus Romo
Community Development Director
Irwindale City Hall
5050 N. Irwindale Avenue
Irwindale, CA 91706

Sincerely,

John Davidson
Executive Director

C: Fred Galante, City Attorney
Gus Romo, Community Development Director
Jim Simon, RSG, Inc.
First American Title Company (Escrow)

ACKNOWLEDGEMENT AND APPROVAL

By: _____

Name: Mark Payne

Title: _____

Date: _____

Mark D. Payne
PDC LA/SD LLC
c/o Panattoni Development
20411 SW Birch Street, Suite 200
Newport Beach, CA 92660