NOTICE

The Urban Community Development Commission (UCDC) was established by Ordinance August 15, 1975 to function as the governing body of the Community Redevelopment Agency. Its purpose is to aid in planning and implementing projects in the City of Compton.

URBAN COMMUNITY DEVELOPMENT COMMISSION
AGENDA
Tuesday, July 15, 2008
6:50 PM

WORKSHOP(S)

HEARING(S)

7:20 PM - PUBLIC HEARING - JOINT PUBLIC HEARING TO CONSIDER A DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND ADVANCED REAL ESTATE SERVICES, INC. FOR DISPOSITION OF AGENCY-OWNED PROPERTY

7:25 PM PUBLIC HEARING - JOINT PUBLIC HEARING TO CONSIDER ADOPTION OF A RESOLUTION AUTHORIZING THE LEASE OF AGENCY OWNED PROPERTY AT 958 WEST WALNUT STREET

OPENING

ROLL CALL

APPROVAL OF MINUTES

ORAL AND WRITTEN COMMUNICATION

UNFINISHED BUSINESS

NEW BUSINESS

1. A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO A DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND ADVANCED REAL ESTATE SERVICES, INC. FOR THE DISPOSITION OF CERTAIN AGENCY-OWNED PROPERTY

2. A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, APPROVING THE RENTAL AGREEMENT BETWEEN THE AGENCY AND WOLFGANG RADER TO RENT CERTAIN AGENCY OWNED PROPERTY

3. A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING A PURCHASE AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND THOMAS HWANG, FOR ACQUISITION OF CERTAIN PROPERTY LOCATED IN THE COMPTON REDEVELOPMENT PROJECT AREA

AUDIENCE COMMENTS

COMMISSION COMMENTS

ADJOURNMENT

July 15, 2008

TO: **CHAIRMAN AND COMMISSIONERS**

FROM: **EXECUTIVE SECRETARY**

SUBJECT: **AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO A DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND ADVANCED REAL ESTATE SERVICES, INC. FOR THE DISPOSITION OF CERTAIN AGENCY-OWNED PROPERTY**

SUMMARY

Requesting Commission authorization of a Disposition and Development Agreement between the Agency and Advanced Real Estate Services, Inc. for the purchase and development of 2815-2875 Alondra Boulevard.

BACKGROUND

On May 23, 2006, pursuant to Resolution No. 21,945, the City Council authorized an Exclusive Negotiation Agreement (ENA) between the Agency and Advanced Real Estate Services, Inc. (Redeveloper) to work out the terms and conditions leading to a Disposition and Development Agreement (DDA) for the disposition of Agency-owned property located at 2815-2875 Alondra Boulevard. The Redeveloper will purchase the site for the development of approximately 100 single family residences. Negotiations have culminated and the Redeveloper is ready to move forward with the disposition process.

The Agency acquired the 17.9 acre parcel located at 2815-2875 from the Compton Brick and Tile Company in 1956. The Site consists of a pre existing sanitary landfill which serviced the City from about 1947 to 1975. On January 30, 2008, an appraisal was conducted on the property by DMD Appraisals, Inc. to determine the current value of the land. The appraised value was $8,582,000.

The disposition price ("Disposition Price") of the subject property to be paid by Advanced Real Estate Services shall be the lesser of:

(A) **$15,250,000 less the sum of:**

(i) the reasonably estimated cost, as approved by the Agency's Executive Secretary in writing, of all remedial work reasonably required to put the Property in a condition adequate for the construction of single family homes;

(ii) **Redeveloper's** reasonable costs of investigating the physical condition of the Site;

(iii) an amount equal to ten percent (10%) of the estimate described in clause (i) for **Redeveloper's** management fees, expenses, profit and overhead for **Redeveloper's** investigations;

OR

(B) the "fair market value" of the Site as determined by an appraisal, to be done within sixty (60) days of the submission of the Tentative Tract Map based on the approved number of lots and remedial action plan:

(i) Plus a sum equal to seventy-five percent (75%) of the amount of any and all grants or forgivable loans actually funded by any governmental agencies for the remediation of the site;

(ii) Less the reasonably estimated cost, of all remedial work reasonably required to the property in a condition adequate for the construction of the single family homes;

The Disposition Price shall not be less than zero.

<u>STATEMENT OF THE ISSUE</u>

In accordance with Section 33433 of the California Redevelopment Law Health and Safety Code, any lease or sale of Agency owned property, purchased utilizing tax increment funds, requires a joint public hearing of both the Agency and the legislative body for public input. Subsequent to the hearing, the Commission and City Council must consider and approve a resolution authorizing the real estate sale transaction.

In compliance with Redevelopment Law, the Commission on July 1, 2008, set a joint public hearing (by minute motion) for July 15, 2008, to consider a resolution authorizing the disposition and development of the property located at 2815-2875 Alondra Boulevard. The notice of the joint public hearing was published in the *Compton Bulletin* on July 2, 2008 and July 9, 2008. A copy of the DDA and Summary Report was also placed in the City Clerk's Office on July 2, 2008 for public review in accordance with Redevelopment Law.

ECONOMIC BENEFITS

The proposed development offers several benefits to the City. The project site has been vacant and underutilized for the past three decades. The continued underutilization of this property and its resultant depreciation has impaired public investment in the area to the extent that it constitutes a serious physical and economic burden on the community. The proposed agreement (i) will provide a timely opportunity for Agency to facilitate development of single family residential units on the subject area; and (ii) serve as a catalyst for further economic revitalization of the neighborhood. Furthermore, the proposed has the capacity transform a formally blighted area into vibrant neighborhoods. On the basis of the foregoing, Commission approval of the DDA will advance the revitalization objectives for the area.

RECOMMENDATION

That the attached resolution authorizing the Executive Secretary to enter into a Disposition and Development Agreement between the Community Redevelopment Agency and Advanced Real Estate Services, Inc. be adopted.

KOFI SEFA-BOAKYE
DIRECTOR OF REDEVELOPMENT

CHARLES EVANS
EXECUTIVE SECRETARY

CE:KSB:DLD

RESOLUTION NO. __________

A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO A DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND ADVANCED REAL ESTATE SERVICES, INC. FOR THE DISPOSITION OF CERTAIN AGENCY-OWNED PROPERTY

WHEREAS, the Community Redevelopment Agency of the City of Compton (the "Agency") is carrying out the Redevelopment Plan for the Compton Redevelopment Project Area, as merged and amended by Ordinance No. 2,114 adopted by the City Council on November 16, 2004; and

WHEREAS, pursuant to direction of the Commission and City Council, the Agency and Advanced Real Estate Services, Inc. (Redeveloper) have negotiated the terms and conditions of a Disposition and Development Agreement (the "DDA") for the disposition of certain Agency-owned property located at 2815-2875 Alondra Boulevard as outlined in the attached Exhibit A of the DDA (Site Plan) and as legally described in Exhibit B of the DDA (Legal Description of the Site); and

WHEREAS, on January 30, 2008, an appraisal was conducted on the property by DMD Appraisals, Inc. to determine the current value of the land; and

WHEREAS, the Agency has negotiated a proposed DDA with the Redeveloper to purchase the property to develop approximately 100 single-family residences on the Site; and

WHEREAS, in accordance with the Community Redevelopment Law, Health and Safety Code Section 33433, notice of a joint public hearing by the Commission and City Council was published in the Compton Bulletin on July 2, 2008, and July 9, 2008. A copy of the DDA and Summary Report was placed in the City Clerk's Office on or before July 2, 2008 for public review; and

WHEREAS, the Commission and City Council held a joint public hearing on Tuesday, July 15, 2008, in the City Council Chambers to consider and act upon the disposition of certain real property pursuant to the DDA.

NOW, THEREFORE, THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. That the Urban Community Development Commission hereby approves the terms and conditions of the Disposition and Development Agreement between the Community Redevelopment Agency and Advanced Real Estate, Inc. for the disposition of certain Agency-owned property located at 2815-2875 Alondra Boulevard.

Section 2. That the Commission hereby finds that the disposition of such property pursuant to the proposed Disposition and Development Agreement (i) will assist in the elimination of blight due to the obligation of the Redeveloper to construct and develop improvements on the property and to open such improvements for business; and (ii) is consistent with the Redevelopment Plan and Implementation Plan for the Compton Redevelopment Project Area (the "Project Area") adopted pursuant to Health and Safety Code Section 33490.

Section 3. That DMD Appraisals, Inc. conducted an appraisal on January 30, 2008 to determine the fair market value of 2815-2875 Alondra Boulevard.

Section 4. That the Disposition Price of the subject property to be paid by Advanced Real Estate Services shall be the lesser of:

(A) **$15,250,000 less the sum of:**

(i) the reasonably estimated cost, as approved by the Agency's Executive Secretary in writing, of all remedial work reasonably required to put the Property in a condition adequate for the construction of single family homes;

(ii) **Redeveloper's** reasonable costs of investigating the physical condition of the Site;

(iii) an amount equal to ten percent (10%) of the estimate described in clause (i) for **Redeveloper's** management fees, expenses, profit and overhead for **Redeveloper's** investigations;

OR

(B) the "fair market value" of the Site as determined by an appraisal, to be done within sixty (60) days of the submission of the Tentative Tract Map based on the approved number of lots and remedial action plan:

(i) Plus a sum equal to seventy-five percent (75%) of the amount of any and all grants or forgivable loans actually funded by any governmental agencies for the remediation of the site;

(ii) Less the reasonably estimated cost, of all remedial work reasonably required to the property in a condition adequate for the construction of the single family homes;

The Disposition Price shall not be less than zero.

Section 5. That the Executive Secretary is hereby authorized and directed to execute any necessary documents upon the advice of the City Attorney.

Section 6. That a certified copy of this resolution shall be filed in the offices of the Executive Secretary, City Attorney, City Controller, Community Redevelopment Agency, and Clerk.

Section 7. That the Chairman shall sign and the Clerk shall attest to the adoption of this resolution.

ADOPTED this _____ day of ___________, 2008.

____
CHAIRMAN OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION

ATTEST:

____

CLERK OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF COMPTON: ss

I, Alita Godwin, Clerk of the Urban Community Development Commission of the City of Compton, hereby certify that the foregoing resolution was adopted by the Commission, signed by the Chairman, and attested by the Clerk at the regular meeting thereof held on the _____ day of __________, 2008.

That said resolution was adopted by the following vote, to wit:

AYES: **COMMISSIONERS -**
NOES: **COMMISSIONERS -**
ABSENT: **COMMISSIONERS -**

____

CLERK OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION

COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF COMPTON
205 South Willowbrook Avenue
Compton, California 90220

DISPOSITION AND DEVELOPMENT AGREEMENT

between

COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF COMPTON

and

ADVANCED REAL ESTATE SERVICES, INC.

2815-2875 West Alondra Boulevard in the

COMPTON REDEVELOPMENT PROJECT AREA

TABLE OF CONTENTS

<u>EXHIBITS</u>

DISPOSITION AND DEVELOPMENT AGREEMENT

THIS DISPOSITION AND DEVELOPMENT AGREEMENT (the "Agreement") is entered into as of the _____ day of _______________ 2008, by and between the **COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON**, a public body, corporate and politic (the "**Agency**"), and **ADVANCED REAL ESTATE SERVICES, INC.**, a California corporation (the "**Redeveloper**"). The **Agency** and the **Redeveloper** agree as follows:

I. [§100] SUBJECT OF AGREEMENT

A. [§101] Purpose of the Agreement

The purpose of this Agreement is to effectuate the Redevelopment Plan for the Compton Redevelopment Project Area (the "Project Area") by providing for the sale of approximately 17.9 acres of real property commonly known as the former Alondra Landfill site (the "Site") located within the boundaries of the Project Area for the construction of approximately 100 single family homes on the Site (the "Project").

The development of the Site pursuant to this Agreement, and the fulfillment generally of the Agreement, are in the vital and best interests of the City of Compton and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state, and local laws and requirements. Implementation of this Agreement will further the goals and objectives of the Redevelopment Plan.

B. [§102] The Redevelopment Plan

This Agreement is subject to the provisions of the Redevelopment Plan for the Compton Redevelopment Project Area, as merged and amended by Ordinance No. 1865 adopted by the City Council on December 10, 1991. The Redevelopment Plan, as it now exists and as it may be subsequently amended pursuant to Section 701, is incorporated herein by reference and made a part hereof as though fully set forth herein.

C. [§103] The Project Area

The Project Area is located in the City of Compton, California (the "**City**"). The boundaries of the Project Area are specifically described in the Redevelopment Plan.

D. [§104] The Site

The "Site" is that portion of the Project Area shown on the "Map of the Site" attached hereto as Exhibit A and incorporated herein by reference, and described in the "Legal Description of the Site", attached hereto as Exhibit B and incorporated herein by reference, and consists of Assessor's Parcel Number: 6139-028-900.

E. [§105] **Parties to the Agreement**

1. [§106] **The Agency**

The **Agency** is a public body, corporate and politic, exercising governmental functions and powers and organized and existing under the Community Redevelopment Law of the State of California (Health & Safety Code Section 33000 et seq.). The office of the Agency is located at Compton City Hall, 205 South Willowbrook Avenue, Compton, California 90220. "**Agency**" as used in this Agreement includes the Community Redevelopment Agency of the City of Compton, California, and any assignee of or successor to its rights, powers and responsibilities.

2. [§107] **The Redeveloper**

The **Redeveloper** is Advanced Real Estate Services, Inc., a California corporation with its principal business office at 23792 Rockfield Blvd. Suite 100, Lake Forest, CA 92630. Wherever the term "**Redeveloper**" is used herein, such term shall include any assignee, or successor in interest specifically permitted by this Agreement.

The qualifications and identity of the Redeveloper are of particular concern to the **City** and the **Agency**, and it is because of these qualifications and identity that the **Agency** has entered into this Agreement with the **Redeveloper**. No voluntary or involuntary successor in interest of the **Redeveloper** shall acquire any rights or powers under this Agreement except as expressly set forth herein.

The **Redeveloper** shall not assign all or any part of this Agreement without the prior written approval of the **Agency**. Furthermore, any attempted assignment of this Agreement by the **Redeveloper** without the **Agency's** consent shall be null and void. This Agreement may be terminated by the **Agency** pursuant to Section 512 hereof if there is any significant change (voluntary or involuntary) in membership, management or control of the **Redeveloper** prior to the completion of the development of the Site.

The **Redeveloper** will promptly notify the Agency of any and all changes whatsoever in the identity of the parties in control of the **Redeveloper** and the degree thereof. No consent or approval of the Agency shall be necessary pursuant to this Section 107 with respect to any transfer to a limited liability company, partnership, corporation, or other entity or entities in which Richard J. Julian remains a majority owner of the controlling entity and retains management and control of the transferee entity or entities provided Agency receives copies of all of the organizational documents of the transferee prior to the transfer showing such ownership and control. The restrictions of this Section 107 shall terminate upon issuance by the **Agency** of a Certificate of Completion for the Site.

F. [§108] **Good Faith Deposit**

The good faith deposit is $50,000.00, which has already been delivered to the Agency.

II. [§200] DISPOSITION OF THE SITE

A. [§201] <u>Sale and Purchase</u>

In accordance with and subject to all the terms, covenants and conditions of this Agreement, the Agency agrees to sell, and the **Redeveloper** agrees to purchase and develop the Site. The total amount ("**Disposition Price**") to be paid by the **Redeveloper** for the purchase of the Site shall be the lesser of: (A) **$15,250,00**0 <u>less</u> the sum of: (i) the reasonably estimated cost, as reasonably approved by the Agency's Executive Secretary in writing, of all remedial work reasonably required to put the Property in a condition adequate for the construction of single family homes; (ii) **Redeveloper's** reasonable costs of investigating the physical condition of the Site; (iii) an amount equal to ten percent (10%) of the estimate described in clause (i) for **Redeveloper's** management fees, expenses, profit and overhead for **Redeveloper's** investigations; or (B) the "fair market value" of the Site as determined by an appraisal, to be done within sixty (60) days of the submission of the Tentative Tract Map, as described in #11 of Exhibit C, Schedule of Performance. The appraisal would be based on the number of lots in the final approved site plan and the remedial action plan and is to be prepared by a reputable MAI appraiser mutually selected by the Agency and Redeveloper that has not been engaged previously by **Redeveloper** and who shall have been given all of the investigation reports regarding costs of remediation and any other material information concerning development of the Site <u>plus</u> a sum equal to seventy-five percent (75%) of the amount of any and all grants or forgivable loans actually funded by any governmental agencies for the remediation of the Site, less (i) the reasonably estimated cost, of all remedial work reasonably required to put the Property in a condition adequate for the construction of single family homes; (ii) documented direct costs incurred by Redeveloper to obtain the applicable grant(s) or forgivable loan(s) ("**Grants**"). The Disposition Price shall not be less than zero.

In the event that $15,250,000 <u>less</u> the sums described in (A)(i)-(iii) above is less than zero, then **Redeveloper** may terminate this Agreement by written notice to Agency, whereupon Agency shall be entitled to retain the $50,000 deposit to compensate Agency for its costs and expenses (including attorneys' and consultants' fees) incurred in connection with the negotiation and preparation of this Agreement and the delay in the ultimate disposition and redevelopment of the Site.

B. [§202] <u>Escrow</u>

The parties shall open an escrow (the "**Disposition Escrow**") with Land America Commercial Services, 1920 Main St. 12th Floor, Irvine, CA 92614 (the "**Escrow Agent**") within the time established in the "Schedule of Performance", incorporated herein and attached hereto as <u>Exhibit "C"</u>. This Agreement constitutes the joint escrow instructions of the **Agency** and the **Redeveloper**, and a duplicate original of this Agreement shall be delivered to the Escrow Agent upon the opening of escrow. The **Agency** and the **Redeveloper** shall provide such additional escrow instructions as shall be necessary and consistent with this Agreement. The Escrow Agent hereby is empowered to act under this Agreement and, upon indicating its acceptance of the provisions of this Section 202 in writing, delivered to the **Agency** and to the **Redeveloper** within five (5) days after the opening of the escrow, shall carry out its duties as escrow agent hereunder.

The **Redeveloper** shall pay into the Disposition Escrow the following fees, charges and costs promptly after the Escrow Agent has notified the **Redeveloper** of the amount of such fees, charges, and costs, but not later than ten (10) days prior to the scheduled date for the close of escrow:

1. One-half of the escrow fee; and

2. The portion of the premium for the title insurance policy or special endorsements to be paid by the **Redeveloper** as set forth in Section 208 of this Agreement.

The **Agency** shall timely and properly execute, acknowledge and deliver a deed conveying to the **Redeveloper** title to the Site in accordance with the requirement of Section 204 of this Agreement.

The **Agency** shall pay in escrow to the Escrow Agent, the following fees, charges, and costs promptly after the Escrow Agent has notified the **Agency** of the amount of such fees, charges, and costs, but not later than ten (10) days prior to the scheduled date for closing the escrow:

1. One-half of the escrow fee;

2. Recording fees;

3. Notary fees;

4. The premium for a C.L.T.A. standard title insurance policy to be paid by the **Agency** as set forth in Section 208 of this Agreement;

5. Ad valorem taxes, if any, upon the Site for any time prior to conveyance of title;

6. Any State, County or City Documentary Transfer Tax.

Upon delivery of a deed to the Escrow Agent by the **Agency** pursuant to Section 206 of this Agreement, the Escrow Agent shall record such deed when title can be vested in the **Redeveloper** in accordance with the terms and provisions of this Agreement, but in no event may escrow close later than the outside date for closing set forth in the Schedule of Performance. The Escrow Agent shall pay any documentary transfer tax required by law. Any insurance policies governing the Site are not to be transferred.

The Escrow Agent is authorized to:

1. Pay, and charge the **Agency** and the **Redeveloper**, respectively, for any fees, charges, and costs payable under this Section 202 of this Agreement. Before such payments are made, the Escrow Agent shall prepare a draft/estimated

Preliminary Settlement Statement and deliver it to the **Agency** and the **Redeveloper** for approval;

2. Disburse funds and deliver the deed and other documents to the parties entitled thereto when the conditions of this escrow have been fulfilled by the **Agency** and the **Redeveloper**; and

3. Record any instruments delivered through this escrow if necessary or proper to vest title in the **Redeveloper** in accordance with the terms and provisions of this Agreement.

All funds received in this escrow shall be deposited by the Escrow Agent with other escrow funds of the Escrow Agent in a general escrow account or accounts with any state or national bank doing business in the State of California. Such funds may be transferred to any other such general escrow account or accounts. All disbursements shall be made on the basis of a 30-day month.

If this escrow is not in condition to close before the time for conveyance established in Section 203 of this Agreement, either party not in default may terminate this Agreement by written notice to the other and demand the return of its money, papers, or documents. In the event the parties give the Escrow Agent conflicting instructions, the Escrow Agent is authorized to hold all money, papers and documents with respect to the Site until instructed by mutual agreement of the parties or upon failure thereof, by a court of competent jurisdiction.

All communications from the Escrow Agent to the **Agency** or the **Redeveloper** shall be directed to the addresses and in the manner established in Section 105 and 601 of this Agreement for notices, demands, and communications between the **Agency** and the **Redeveloper**. Nothing in this Section 202 shall be construed to impair or affect the rights or obligations of the **Agency** or the **Redeveloper** to specific performance.

The liability of the Escrow Agent under this Agreement is limited to performance of the obligations imposed upon it under Sections 202 to 208, both inclusive, of this Agreement.

The **Agency** represents that it has not engaged any broker, agent, or finder in connection with this transaction. The Redeveloper represents that it has not engaged any broker, agent or finder except for CB Richard Ellis, which will be paid by Redeveloper.

C. [§203] <u>Conveyance of Title and Delivery of Possession; Extensions by Redeveloper</u>

Conveyance to the **Redeveloper** of title to the Site (in accordance with the provisions of Section 205 of this Agreement) shall be completed on or prior to the dates specified in the Schedule of Performance.

Redeveloper may extend the time period for Closing in the Schedule of Performance (which is the date that is 3 years after the date of this Agreement) for three (3) calendar months up to six (6) times (<u>i.e.</u>, for a maximum of 18 months in total) <u>provided</u> that for <u>each</u> such three (3) month extension, Developer: (i) gives written notice to Agency at least thirty (30) days prior to the then-current deadline for Closing, and (ii) concurrently delivers directly to Agency the sum of $50,000 in immediately available funds (<u>i.e.</u>, cash by wire transfer, cashier's check, or certified check) each of which shall be credited against the Disposition Price if the closing of the sale of the Site by Agency to Redeveloper occurs, but shall otherwise be a nonrefundable extension fee.

Possession shall be delivered to the **Redeveloper** concurrently with the conveyance of title, except that limited access may be permitted before conveyance of title as permitted in Section 213 of this Agreement.

D. [§204] <u>Form of Deed</u>

The **Agency** shall convey to the **Redeveloper** title to the Site in the condition provided in Section 205 of this Agreement by Grant Deed in the form attached hereto as <u>Exhibit E</u> (subject to the other terms and conditions of this Agreement).

E. [§205] <u>Condition of Title</u>

Redeveloper will carry out the development of the Site in compliance with specific provisions of this Disposition and Development Agreement (the "DDA") and the Schedule of Performance and time is of the essence of each and every provision thereof. Default by Developer will result in the automatic reversion of title to the **Agency**, in the manner and subject to the requirements of Section 513 hereof, a right which the **Agency** may freely pursue in a court of law. **Agency's** failure to enforce this provision at any given time or from time to time shall not be construed as a waiver of its rights hereunder. The Site shall also be subject to easements currently on record.

Furthermore, title to the Site shall except and reserve all oil, gas, hydrocarbon substances and minerals of every kind and character, together with the right to drill into, through, and to use and occupy all parts of the Site lying more than 500 feet below the surface thereof for any and all purposes incidental to the exploration of and production of oil, gas, hydrocarbon substances or minerals from said Site or other lands, but without however, any rights to use either the surface of the Site or any portion thereof within 500 feet of the surface for any purpose or purposes whatsoever, to the extent reserved by the parties named in deeds, leases and other documents of record.

The **Agency** shall use good faith efforts to cause a title company mutually agreeable to both parties (the "Title Company") to deliver to **Redeveloper** a preliminary title report (the "Title Report") with respect to the title to the Site, together with legible copies of the documents underlying the exceptions ("Exceptions") set forth in the Title Report, within thirty (30) days after the date of this Agreement. The **Redeveloper** shall have the right to reasonably approve or disapprove the Exceptions. **Redeveloper** shall have thirty (30) days after the Title Report is delivered to Developer to give written notice to **Agency** and Escrow Agent of **Redeveloper**'s approval or disapproval of any of such Exceptions set forth in the Report. **Redeveloper**'s failure to give written disapproval of the Title Report within such time limit shall be deemed approval of the Title Report. If **Redeveloper** notifies **Agency** of its disapproval of any Exceptions in the Title Report, **Agency** shall have the right, but not the obligation, to remove any disapproved Exceptions within thirty (30) days after receiving written notice of **Redeveloper**'s disapproval or provide assurances satisfactory to **Redeveloper** that such Exception(s) will be removed on or before the Closing. If **Agency** cannot or does not elect to either remove any of the disapproved Exceptions within that period or give such assurances, **Redeveloper** shall have fifteen (15) days after the expiration of such thirty (30) day period to either give the **Agency** written notice that **Redeveloper** elects to proceed with the purchase of the Site subject to the disapproved Exceptions or to give the **Agency** written notice that the **Redeveloper** elects to terminate this Agreement, and failure to give notice shall constitute Redeveloper's election to take title subject to the disapproved exceptions. The **Redeveloper** shall have the right to approve or disapprove any further Exceptions reported by the Title Company after the **Redeveloper** has approved the condition of title for the Site (which are not created by **Redeveloper**). The **Agency** shall not create any new exceptions to title following the date of this Agreement without the approval of the **Redeveloper.**

[§206] <u>Time for and Place of Delivery of Deed</u>

Subject to any mutually agreed upon extension of time, the **Agency** shall deposit the quitclaim deed for the Site with the Escrow Agent on or before the date established for the conveyance of the Site in the Schedule of Performance, as may be extended under Section 203.

F. [§207] <u>Payment of the Disposition Price and Recordation of Deed</u>

The **Redeveloper** shall deposit the Disposition Price for the Site with the Escrow Agent at least one (1) business day prior to the date for conveyance, provided that the Escrow Agent shall have notified the **Redeveloper** in writing that the deed, properly executed and acknowledged by the **Redeveloper**, has been delivered to the Escrow Agent and that title is in condition to be conveyed in conformity with the provisions of Section 205 of this Agreement or will be in such condition as of the closing. Upon the close of escrow, the Escrow Agent shall file the deed for recordation among the land records in the Office of the County Recorder for Los Angeles County, shall deliver the Disposition Price to the **Agency** and shall deliver to the **Redeveloper** a title insurance policy insuring title in conformity with Section 208 of this Agreement.

The Conveyance of the Site is conditioned upon the satisfaction (or written waiver by the benefited Party or Parties in its or their sole and absolute discretion) of the following terms and conditions within the times (if any) designated below:

[§207.1] <u>Agency's Conditions of Closing</u>

The Agency's obligation to proceed with the Closing of the Conveyance of the Site is subject to the fulfillment (or waiver by Agency) of each and all of the conditions precedent (a) through (g), inclusive, described below (the "Agency's Conditions Precedent"), which are solely for the benefit of the Agency (provided, however, that if the reason for the failure of any of the following conditions is due to an Agency Default, such failure shall not be deemed to constitute the failure of the Agency's Conditions Precedent):

a. **No Default.** At the Closing, the Redeveloper shall not be in default in any of its obligations set forth in this Agreement and all representations and warranties of Redeveloper contained herein shall be true and correct in all material respects.

b. **Execution of Documents**. The Redeveloper shall have executed and acknowledged any documents required to be executed by the Redeveloper hereunder, and delivered such documents into Escrow.

c. **Payment of Funds.** Prior to the Close of Escrow, the Redeveloper shall have paid the Disposition Price and any other cost that is the Redeveloper's responsibility.

d. **Insurance.** The Redeveloper shall have provided to Agency proof of insurance as required by Section 308 hereof.

e. **Financing.** The Agency shall have received copies of all financing documents and approved the financing for the development of the Site as provided in Section 214 hereof, and the approved financing shall be available to the Redeveloper, and to the extent said financing consists of a third party loan or loans, said loan or loans have closed and funded or shall be ready to close and fund upon the Closing.

f. **Land Use Approvals.** The Redeveloper shall have received all land use approvals and other entitlements that are required for development of the Improvements on the Site.

g. **Plans and Permits.** The Redeveloper shall have subdivided the Site, and shall have obtained City and Agency approval of its final grading and building plans for the Improvements, and grading permits and building permits for at least the first building of the Improvements have been issued or shall be ready to be issued (upon payment of necessary fees, posting of required security, and similar items).

h. **Budget; Feasibility.** Agency shall have received reasonable evidence of and approved Developer's equity and a complete budget for the Project, and shall have determined that such equity will be invested as of the closing date or held by the lender, and will be sufficient together with the financing to complete the Project.

i. **GMAX Contract and Bonds.** Agency shall have received and approved copies of the executed guaranteed maximum price construction contract for the Project and payment and performance bonds for the contractor.

j. **Environmental.** Agency shall have received an environmental remediation work plan approved by the Lead Oversight Agency (as defined in Section 212).

k. **Purchase Price.** The Disposition Price shall have been determined as set forth in Section 201.

l. **Time for Remediation.** The time period after Closing for completion of remediation shall have been determined as set forth in Section 307.

If any such condition is not satisfied by the closing deadline, the Agency may terminate this Agreement by written notice to Redeveloper.

[§207.2] <u>Redeveloper's Conditions of Closing.</u>

Redeveloper's obligation to proceed with the purchase of the Site is subject to the fulfillment or waiver by Redeveloper of each and all of the conditions precedent (a) through (i), inclusive, described below (the "Redeveloper's Conditions Precedent"), which are solely for the benefit of Redeveloper, (provided, however, that if the reason for the failure of any of the following conditions is due to a Redeveloper Default, such failure shall not be deemed to constitute the failure of the Redeveloper's Conditions Precedent):

a. **No Default.** At the Closing, the Agency shall not be in default in any of its obligations set forth in this Agreement and all representations and warranties of Agency contained herein shall be true and correct in all material respects.

b. **Execution of Documents.** The Agency shall have executed the Grant Deed and any other documents required to be executed by the Agency hereunder, and delivered such documents into Escrow.

c. **Financing.** The financing which is required for the acquisition of the Site and construction of the Improvements shall be available to the Redeveloper, and to the extent said financing consists of a third party loan or loans, said loan or loans shall have closed and funded or shall be ready to close and fund upon the Closing.

d. **Condition of Site.** The Redeveloper shall have approved (or deemed to have approved) the condition of the Site pursuant to Section 212 hereof.

e. **Review of Title.** The Redeveloper shall have approved the title to the Site pursuant to Section 205 hereof.

f. **Title Policy.** The Title Company shall, upon payment of Title Company's regularly scheduled premium, have agreed to provide to the Redeveloper the Title Policy for the Site upon the Close of Escrow, in accordance with Section 208 hereof.

If any of such conditions are not satisfied by the closing deadline, the Developer may terminate this Agreement.

[§207.3] <u>"As-Is" Condition of Site.</u>

Except as otherwise expressly provided in this Agreement, including but not limited to those obligations of **Agency** set forth in Sections 212, the **Redeveloper** expressly understands and agrees that the **Redeveloper** shall purchase the Site from the **Agency** on an "AS – IS" condition upon the closing, without representation or warranty, express or implied.

[§207.4] <u>Communication with Governmental Agencies.</u>

The Agency hereby (a) authorizes **Redeveloper** and an environmental consultant chosen solely by **Redeveloper** ("Redeveloper's Environmental Consultant") to communicate with any governmental agency with jurisdiction over the Site for the purpose of obtaining the Lead Agency Approvals, as defined in Section 212(1); (b) agrees to sign any reasonable application reasonably necessary for obtaining the Lead Agency Approvals; and (c) consents to the prosecution of the remaining Remedial Work under **Agency's** name and using the existing open files with the Lead Oversight Agency, as defined in Section 212, and/or any other governmental agency with jurisdiction over the Site. **Redeveloper** shall provide to **Agency** copies of all written submittals, reports, or other documents (including any e-mail communications) made by Redeveloper's Environmental Consultant to the Lead Agency.

G. [§208] <u>Title Insurance</u>

Concurrently with recordation of the Grant Deed, Land America Commercial Services ("Escrow Co.") shall provide and deliver to the **Redeveloper** a title insurance policy issued by the Escrow Co. insuring that the title is vested in the **Redeveloper** in the condition required by Section 205 of this Agreement. The Escrow Co. shall provide the **Agency** with a copy of the title insurance policy and the title insurance policy shall be in the amount of the Disposition Price of the Site.

The **Agency** shall pay only for that portion of the title insurance premium attributable to a C.L.T.A. standard form policy of title insurance in the amount of the Disposition Price of the Site. The **Redeveloper** shall pay for all other premiums for title insurance coverage or special endorsements.

H. [§209] <u>Taxes and Assessments</u>

Ad valorem taxes and assessments, if any, on the Site and taxes upon this Agreement or any rights thereunder, levied, assessed, or imposed for any period commencing prior to conveyance of title shall be borne by the **Agency**. All ad valorem taxes and assessments levied or imposed for any period commencing after closing of the escrow shall be paid by the **Redeveloper**.

I. [§210] <u>Conveyance Free of Possession</u>

Except as otherwise provided in this Agreement and the "Scope of Development", incorporated herein and attached hereto as Exhibit C, and except for the title exceptions approved or deemed approved by Developer hereunder, the Site shall be conveyed free of any possession or right of possession by any person except **Redeveloper** and the easements of record.

J. [§211] <u>Zoning of the Site</u>

The **Redeveloper** at its sole cost and expense shall cause zoning of the Site at the time of conveyance to be such as to permit development and construction of improvements in accordance with the provisions of the Agreement and the use, operation and maintenance of such improvements. The foregoing shall also be a condition of closing for the benefit of both Agency and Developer.

K. [§212] <u>Condition of the Site</u>

1. <u>Disclosure of Investigations</u>. **Agency** and **Redeveloper** acknowledge that the Site has been the subject of numerous investigation and remedial actions by several geotechnical and environmental consultants since the early 1980's. The results of these investigation are on file at the Agency and copies have been made available to Redeveloper. Based upon the results of Solid Waste Assessment Test ("SWAT") monitoring and SWAT reports prepared by the Mark Group, Inc. (dated August 23, 1995 and April 11, 1996), the California Regional Water Quality Control Board issued a letter dated May 21, 1996 approving the SWAT report and stated that based upon the additional SWAT monitoring data, the "subject site does not appear to be leaking hazardous waste as defined in Section 13273(b) of the California Water Code." In addition, the Agency has on file and made available to Redeveloper the Mark Group, Inc.'s December 1997 "Initial Study for the Proposed Alondra Community Park" and all documents referenced by that 1997 "Initial Study."

2. <u>Future Remediation Activity</u>. The Parties intend to obtain an interim immunity letter as defined in Health and Safety Code Section 33459(b) (the "Interim Immunity Letter") from the California Regional Water Quality Control Board, Los Angeles Region (the "Lead Oversight Agency") and then complete further investigations and remediation of any Environmental Contamination at the Site necessary for its intended residential use (collectively, the "Remedial Work") and obtaining a final immunity and no further action letter (the "Final Immunity Letter"). The Remedial Work will be implemented and completed by **Redeveloper** at its sole cost and expense, and consistent with the Schedule required pursuant to Section 307. The Parties agree that the prompt and thorough completion of the Remedial Work is in the best interests of the **Agency**, the City of Compton and the health, safety and welfare of the residents and taxpayers both of the area covered by the Redevelopment Plan and of the City, and is in accord with the public purposes and provisions of applicable state and local laws. The Redevelopment Plan contemplates the elimination of blight in the form of environmental contamination. In furtherance of that goal, the **Agency** desires to see the Remedial Work completed under the Polanco Redevelopment Act, Health and Safety Code Section 33459 et seq., ("Polanco") to effectuate reuse of the Site in accordance with the Redevelopment Plan as well as to provide the **Agency**, **Redeveloper** and any subsequent purchasers of all or a portion of the Site with immunity pursuant to Health and Safety Code section 33459.3. **Agency's** disposition of the **Agency** Parcels and **Redeveloper's** construction of the improvements pursuant to the terms of this Agreement are in the vital and best interest of **Agency**, the City and the health, safety, morals and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local laws and requirements under which the redevelopment has been undertaken under the Redevelopment Plan. Remedial Work shall be governed by this Section 212.

3. The Parties recognize that redevelopment of the Site is dependent upon many factors, one of which is receipt of the immunities upon completion of the Remedial Work as provided under Polanco Redevelopment Act, Health and Safety Code Section 33359 et seq., ("Polanco") to effectuate reuse of the Site in accordance with the Redevelopment Plan as well as to provide the **Agency**, **Redeveloper** and any subsequent purchasers of all or a portion of the Site with immunity pursuant to Health and Safety Code section 33459.3. To that end, Agency hereby agrees that Agency has and will continue to exercise good faith efforts to fulfill the obligations and duties contemplated by Polanco, including without limitation, providing assistance to the Redeveloper in interactions with the Lead Oversight Agency, and promptly requesting and reasonably working to assist Redeveloper in obtaining the Lead Agency Approvals.

4. The Agency will promptly forward to Redeveloper any correspondence or approvals from any governmental agency regarding the Site or the Remedial Work that Agency may receive, including but not limited to the Lead Agency Approvals. **Redeveloper** will immediately forward to Agency any correspondence or approvals from any governmental agency regarding the Site or the Remedial Work that **Redeveloper** may receive, including but not limited to the Lead Agency Approvals.

L. [§213] <u>Site Investigation by the Redeveloper</u>

Prior to Closing, representatives of the **Redeveloper** shall, subject to the terms and conditions set forth in <u>Exhibit "G"</u>, Right of Entry Agreement, and execution of the same, have the right of access to the Site at all reasonable times for the purpose of obtaining data, and making surveys and tests necessary to carry out this Agreement and (subject to applicable permits and law). Redeveloper hereby agrees to defend, indemnify and hold the Agency and its officers, officials, members, employees, agents and representatives, harmless from and against any and all loss, damage, injury, liability, claim, cost or expense (including, without limitation, reasonable attorneys' fees, expert witness fees, court costs, and expenses) arising from or attributable to the activities of Redeveloper or any of its employees, agents, consultants or contractors upon the Property pursuant to this Section 213. All use of and entry upon the Property shall be at the sole cost, risk and expense of the Redeveloper.

All investigative studies and remedial work plans shall expressly state that they may be relied upon by and assigned to the Agency.

In the event that the Closing does not occur or this Agreement is terminated for any reason other than an uncured default by Agency under this Agreement, then subject to any assignability provisions as called for by consultants, employees, or sub-contractors, the Agency shall own any and all investigative studies and remedial work plans. Redeveloper hereby assigns all such studies and plans to Agency conditioned upon the failure of escrow to close or the termination of this Agreement for any reason other than an uncured default under this Agreement by the Agency.

M. [§214] <u>Submission of Evidence of Development Financing</u>

Financing shall be subject to the approval of the **Agency**, which approval will not be unreasonably withheld. In the event the Agency denies such financing or any subsequent or replacement financing, developer shall be granted 120 days to submit new financing/or alternate financing for the approval required and the deadlines for development of the property and/or the closing shall be extended accordingly without any extension fees.

N. [§215] <u>Representations and Warranties</u>

[§215.1] Agency Representations

Agency represents and warrants to Redeveloper as follows:

1. **Authority.** Agency is a public body, corporate and politic, existing pursuant to the California Community Redevelopment Law (California Health and Safety Code Section 33000), which has been authorized to transact business pursuant to action of the City.

2. **FIRPTA.** Agency is not a "foreign person" within the parameters of the Foreign Investment in Real Property Transfer Act ("FIRPTA") or any similar state statute, or is exempt from the provisions of FIRPTA or any similar state statute, or that Agency has complied and will comply with all the requirements under FIRPTA or any similar state statute.

3. **No Conflict.** To the Actual Knowledge of the Agency, Agency's execution, delivery and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which Agency is a party or by which it is bound.

4. **Litigation.** To the Actual Knowledge of the Agency, there are no claims, causes of action or other litigation or proceedings pending or threatened with respect to the ownership, operation or environmental condition of the Site or any part thereof (including disputes with mortgagees, governmental authorities, utility companies, contractors, adjoining landowners or suppliers of goods and services).

5. **Violation.** To the Actual Knowledge of the Agency, there are no violations of any health, safety, pollution, zoning or other laws, ordinances, rules or regulations with respect to the Site, which have not heretofore been entirely corrected (except as generally disclosed pursuant to Section 212 hereof). In the event Agency has Actual Knowledge of any such violations, Agency shall immediately provide Redeveloper with copies of all documents evidencing such violation.

6. **No Agency Bankruptcy.** Agency is not the subject of a bankruptcy proceeding.

For purposes of this Section 215.1, the "Actual Knowledge of the Agency" means the current, actual knowledge of staff who are the Agency's employees who have participated in the negotiation of this Agreement, and their knowledge of materials in the Agency's files, but does not require the Agency to conduct any further investigations or tests. Until the Closing, Agency shall, upon the change of any fact or condition to the Actual Knowledge of the Agency which would cause any of the warranties and representations in this Section 215.1 not to be true as of Closing, immediately give written notice of such changed fact or condition to Redeveloper. Such exception(s) to a representation shall not be deemed a breach by Agency hereunder, but shall constitute an exception which Redeveloper shall have a right to approve or disapprove if such exception would have an effect on the value and/or operation of the Site. If Redeveloper elects to close Escrow following disclosure of such information, Agency's representations and warranties contained herein shall be deemed to have been made as of the Closing, subject to such exception(s). If, following the disclosure of such information, Redeveloper elects to not close Escrow, then this Agreement and the Escrow shall automatically terminate, and neither party shall have any further rights, obligations or liabilities hereunder. The representations and warranties set forth in this Section 215.1 shall survive the Closing.

[§215.2] Redeveloper's Representations

Redeveloper represents and warrants to Agency as follows:

1. **Authority.** Redeveloper is a corporation formed in and in good standing and is qualified to do business within the State of California. Redeveloper has full right, power and lawful authority to purchase and accept the conveyance of the Site and undertake all obligations as provided herein and the execution, performance and delivery of this Agreement by Redeveloper has been fully authorized by all requisite actions on the part of the Redeveloper.

2. **No Conflict.** To the best of Redeveloper's knowledge, Redeveloper's execution, delivery and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which the Redeveloper is a party or by which it is bound.

3. **No Redeveloper Bankruptcy.** Redeveloper is not the subject of a bankruptcy proceeding.

Until the Closing, Redeveloper shall, upon the change of any fact or condition which would cause any of the warranties and representations in this Section 215.2 not to be true as of Closing, immediately give written notice of such changed fact or condition to Agency. Such exception(s) to a representation shall not be deemed a breach by Redeveloper hereunder, but shall constitute an exception which Agency shall have a right to approve or disapprove if such exception would have an effect on the value and/or operation of the Site. If Agency elects to close Escrow following disclosure of such information, Redeveloper's representations and warranties contained herein shall be deemed to have been made as of the Closing, subject to such exception(s). If, following the disclosure of such information, Agency elects to not close Escrow, then this Agreement and the Escrow shall automatically terminate, and neither party shall have any further rights, obligations or liabilities hereunder. The representations and warranties set forth in this Section 215.2 shall survive the Closing.

O. [§216] <u>Arbitration</u>

If **Agency** disapproves **Redeveloper's** remediation cost estimate or remediation time period, either **Agency** or **Redeveloper** elect to submit the dispute to binding arbitration by giving written notice to the other. Within thirty (30) days after an arbitration notice is given, the parties hereto shall promptly designate an arbitrator for such dispute. The arbitrator shall be independent of the parties hereto (and their respective affiliates) and shall hold no financial interest in, or have any material financial or personal relationship with, any of the parties hereto (or their respective affiliates), and shall not have been employed or engaged, or be under consideration for engagement, either as an employee or a consultant, by any of the parties hereto (or their respective affiliates). If at any time the parties hereto are unable to agree upon the designation of an Arbitrator, then upon application of either party, such designation shall be made by the office of the American Arbitration Association ("**AAA**") conducting business in Los Angeles County, California. The parties hereto agree and desire that the individual to be designated as such Arbitrator shall have at least ten (10) years experience in environmental remediation matters. The Arbitrator shall reside or have an office within Los Angeles or Orange County, and the parties shall use reasonable efforts to select a qualified Arbitrator that lives or has an office in Los Angeles County or Orange County, California. In the event there are two or more potential arbitrators for a given dispute that have all of the qualifications required by this Section, and one of the potential arbitrators is a retired judge, the parties shall use reasonable efforts to select such retired judge as the Arbitrator.

The Arbitrator shall conduct the Arbitration at a time and a location in Los Angeles County, California selected by the Arbitrator. The Arbitrator shall give the parties hereto reasonable notice of the Arbitration, and shall make reasonable efforts to accommodate the schedules of such parties in a manner that does not delay the resolution of the Arbitration issue(s) to be decided by the Arbitrator prior to the Closing Date. The Arbitrator shall conduct the Arbitration in such manner as the Arbitrator deems appropriate, consistent with the provisions of this Section and, to the extent not inconsistent with the provisions of this Section, pursuant to the Construction Industry Arbitration Rules of the AAA. The law of the State of California shall apply to such Arbitration. The parties hereto intend that the Arbitrator have the sole and exclusive authority and power to resolve Disputes. The Arbitrator shall not, however, have the power to alter or waive any provision of this Agreement.

There shall be no discovery permitted with respect to any Arbitration other than that required or authorized by the Arbitrator, and each of the parties hereto shall present its position with respect to the issue(s) to be determined by such Arbitration by an oral presentation to the Arbitrator. Each of the parties hereto shall be given the opportunity to hear and orally respond to the presentations by the other parties to the Arbitrator, and to present documents to the Arbitrator in support of such party's position. The Arbitrator shall have the right to limit the documents presented to the Arbitrator in order to assure a resolution of the issues(s) to be determined by the Arbitrator prior to the Closing Date. Each of the parties hereto may be represented by counsel at such Arbitration, and there may be examination and/or cross-examination of witnesses if and to the extent permitted by the Arbitrator.

The parties hereto shall cooperate reasonably and in good faith to permit a conclusion of the Arbitration prior to the Closing Date; however, if despite such cooperation the Arbitration has not concluded by the scheduled Closing Date, then provided Developer continues to cooperate reasonably and in good faith to conclude the Arbitration as soon as possible, the Closing Date shall be extended to the date that is one hundred and twenty (120) days after the conclusion of the Arbitration. In the event arbitration is elected as per this section, all time lines, including escrow closing dates, shall be extended by the amount of time taken to complete arbitration. Said extensions of time shall not require any extension fees

The written award by the Arbitrator shall be the binding, final determination on the merits of the Dispute, and shall preclude any subsequent litigation on such merits, other than any claim that the Arbitrator altered or waived any provision of this Agreement or applicable law. The parties hereto agree that any disputes that arise out of such a written award, other than any claim that the Arbitrator altered or waived any provision of this Agreement or applicable law, shall be resolved exclusively by Arbitration pursuant to this Section, provided that any party hereto may institute legal proceedings in a court of competent jurisdiction to enforce judgment upon an Arbitration award in accordance with applicable law. The prevailing party in any such Arbitration shall be entitled to, and the award in such Arbitration shall provide for, reimbursement for any costs of such proceeding, reasonable attorneys' fees, reasonable costs of investigation and any other expenses incurred in connection with such arbitration in the event the arbitrator determines that the non-prevailing party's allegations, claims or positions in such arbitration were unreasonable. If the Arbitrator does not make such a determination, the arbitrator's costs and expenses shall be paid (or reimbursed) fifty percent (50%) by the **Redeveloper** and fifty percent (50%) by the **Agency**.

In the event of any dispute between the parties hereto relating to the interpretation of an award by an Arbitrator, any party shall have the right to require (by written demand with a copy to the other party) that the Arbitrator issue a binding written clarification of such award. All parties shall have all rights and remedies as afforded by law in connection with any other disputes other than those specified in the first sentence of the preceding section or cross-referenced in Section 503.

NOTICE: BY INITIALING IN THE SPACE BELOW, YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THIS "ARBITRATION" PROVISION DECIDED BY ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW, YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS SUCH RIGHTS ARE SPECIFICALLY INCLUDED IN THIS "ARBITRATION" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING NOTICE AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THIS "ARBITRATION" PROVISION TO ARBITRATION.

Agency:________ **Redeveloper:________**

III. [§300] DEVELOPMENT OF THE SITE

A. [§301] <u>Development of the Site by the Redeveloper</u>

1. [§302] <u>Scope of Development</u>

The Redeveloper, subject to the provisions of the State approved and certified Remedial Action Plan, shall construct on the Site the required single family residential homes as provided in the Scope of Development in accordance with the Remedial Action Plan.

All plans for the development of the Site shall be reviewed and approved by the **Agency** prior to development of the Site in accordance with Section 305 hereof. Any development of the Site shall conform to plans and drawings approved by the **Agency**.

The **Redeveloper** shall at the **Redeveloper's** expense, construct and provide all necessary off-site/off-tract improvements as established in the plans in accordance with the applicable provisions of the Zoning and Building Code of the City and the requirements of the Compton Public Works Department and all other regulatory agencies having jurisdiction over development of the Site. Said off-site/off-tract improvements shall include sidewalks, curbs, gutters and parkways. The **Agency** shall not be responsible for the renewal, restoration or repair of any pending, unfinished or completed off-site/off-tract improvements, which must be or are removed or otherwise damaged by the **Redeveloper**. The **Redeveloper** shall bear all expenses for restoring or repairing any such improvements. Once said improvements are constructed or completed, any changes required by the **Redeveloper** shall be at the expense of the **Redeveloper**. The **Redeveloper** shall provide the **Agency** with working drawings for the construction of any such improvements.

2. [§303] <u>Basic Concept Drawings</u>

The **Redeveloper** has submitted to the **Agency**, and the **Agency** has approved, Basic Concept Drawings and related documents containing the overall plan for development of the Site. The **Agency** shall cooperate in good faith with the **Redeveloper** in revising the Basic Concept Drawings and related documents as may be required by the environmental remediation workplan approved by the Lead Oversight Agency, and all such revisions shall be subject to the reasonable approval of the **Agency**.

The Site shall be developed as generally established in the Basic Concept Drawings approved in writing by the Agency and related documents except as changes may be mutually agreed upon between the **Redeveloper** and the **Agency**. The Basic Concept Drawings and related documents and any changes shall be within the limitation of the Scope of Development.

3. [§304] <u>Construction Plans, Drawings, Landscaping and Grading Plans, and Related Documents</u>

The **Redeveloper** shall prepare and submit construction plans, drawings, landscaping and grading plans, and related documents to the **Agency** for architectural review and written approval as and at the times established in the Schedule of Performance. The construction drawings, landscaping and grading plans, and related documents shall be submitted in two stages: preliminary and final working drawings. Final drawings and plans are hereby defined as those in sufficient detail to obtain a building permit. Approval of progressively more detailed drawings and specifications will be promptly granted by the **Agency** if they are not in conflict with drawings or specifications theretofore approved by the Agency. Any items so submitted and approved in writing by the **Agency** shall not be subject to subsequent disapproval by the Agency.

The **Redeveloper** shall also prepare and submit to the **Agency** for its approval preliminary and final landscaping and finish grading plans for the Site. Such preliminary and final plans shall be prepared and submitted within the times established in the Schedule of Performance subject to extensions as are authorized herein or as mutually agreed to by the parties hereto.

During the preparation of all drawings and plans, the **Agency** and the **Redeveloper** shall hold regular progress meetings to coordinate the preparation of, submission to, and review of construction plans and related documents by the **Agency**. The **Agency** and the **Redeveloper** shall communicate and consult informally as frequently as is necessary to insure that the formal submittal of any documents to the **Agency** can receive prompt and speedy consideration.

If any revisions or corrections of plans approved by the **Agency** shall be required by any government agency, department or bureau having jurisdiction, or any lending institution involved in financing, the **Redeveloper** and the **Agency** shall discuss acceptable alternatives and shall cooperate in efforts to obtain waiver of such requirements or develop a mutually acceptable alternative, but the Agency shall not be obligated to make any changes that materially and adversely affect the rights, interests or obligations of the Agency under this Agreement.

4. [§305] <u>Agency Approval of Construction Plans, Drawings, Landscaping and Grading Plans and Related Documents</u>

Subject to the terms of this Agreement, the **Agency** shall have the right of reasonable architectural review of all plans and drawings, including any changes therein. The **Agency** agrees that the **Redeveloper** need submit plans and submissions for architectural review only to the **Agency**, and the **Agency** shall obtain any architectural review required by any agency, department, board or commission of the **City** within the times required hereunder for review of such plans and submissions and changes therein, by the **Agency**; provided, however, that nothing herein shall relieve **Redeveloper** of any obligation to submit plans and submissions for building permits to **City** departments or other agencies and obtain their approvals.

The **Agency** shall use good faith efforts to approve or disapprove the plans, drawings and related documents referred to in Section 304 of this Agreement within the times established in the Schedule of Performance, but failure to respond shall constitute disapproval. The reasons for any disapproval shall be stated in writing. The **Redeveloper** upon receipt of a disapproval based upon powers reserved by the **Agency** hereunder, shall revise such plans, drawings and related documents and resubmit them to the **Agency** within ninety (90) days after receipt of the notice of disapproval.

If the **Redeveloper** desires to make any substantial change in the construction plans after their approval by the **Agency**, the **Redeveloper** shall submit the proposed change to the **Agency** for its approval. If the construction plans, as modified by the proposed change, conform to the requirements of Section 304 of this Agreement and the Scope of Development, the **Agency** shall approve the proposed change and shall use good faith efforts to notify the **Redeveloper** of such in writing within ninety (90) days after submission to the **Agency** but failure to respond shall constitute disapproval. All approvals of the Agency under this Section 305 may be made by the Agency Executive Secretary, but must be in writing. In the event the Agency does not give approval for Sections 301,303,304, and 305 within 30 days, all time lines, including escrow closing dates, shall be extended by the amount of time taken to obtain the approval from the Agency in excess of 30 days. Said extensions of time shall not require any extension fees

5. [§306] <u>Cost of Construction</u>

The cost of developing the Site and constructing all improvements thereon shall be borne by the **Redeveloper**.

6. [§307] <u>Schedule of Performance</u>

Redeveloper shall comply with the Schedule of Performance attached hereto as <u>Exhibit "C"</u>.

If Agency disapproves **Redeveloper's** estimated remediation time period submitted to Agency pursuant to the Schedule of Performance, then **Agency** or **Redeveloper** may submit the matter to binding arbitration under Section 216 above.

After the conveyance of title to the Site, the **Redeveloper** shall promptly begin and thereafter diligently prosecute to completion the remediation work and then construction of the improvements and the development of the Site. The **Redeveloper** shall begin and complete all construction and development within the times specified in the Schedule of Performance or such reasonable extension of said dates as may be granted by the **Agency** Executive Secretary in its sole and absolute discretion. The Schedule of Performance is subject to revision from time-to-time as mutually agreed upon in writing between the **Redeveloper** and the **Agency**.

During the period of remediation and construction, but not more frequently than once every three months, the **Redeveloper** shall submit to the **Agency** a written report of the progress of the remediation and construction when and as requested by the **Agency**. The report 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 by **Redeveloper**.

7. [§308] <u>Bodily Injury, Property Damage and Workers' Compensation Insurance</u>

The **Redeveloper** shall furnish the **Agency** duplicate originals or endorsements of general liability insurance, which shall include bodily injury and property, in the amount of not less than $2,000,000 naming the **Agency** and the **City** as additional insureds on a primary and noncontributing basis. The **Redeveloper** shall also furnish or cause to be furnished to the **Agency** evidence satisfactory to the **Agency** that any contractor with whom the **Redeveloper** has contracted for the performance of work on the Site carries such insurance (or is covered by such insurance) worker's compensation insurance as required by law. The obligation set forth in this Section shall remain in effect only until a final Certificate of Completion has been furnished for the Site as hereinafter provided in Section 323 hereof. **Redeveloper**, for itself and on behalf of its insurers, hereby waives and releases, to the extent permitted by law, all claims it may now or hereafter have against Agency, and all rights to subrogation, based on matters or occurrences that are covered in whole or in part by the insurance required hereunder or actually carried by **Redeveloper** or which otherwise covers acts or omissions or liability of **Redeveloper**.

8. [§309] City and Other Governmental Agency Permits

Before commencement of construction or development of any buildings, structures or other work of improvement upon the Site (but not necessarily before the conveyance of title unless such construction, development or work is to be commenced before the conveyance of title), the **Redeveloper** shall at its own expense secure or cause to be secured any and all permits which may be required by the **City** or any other governmental agency affected by such construction, development or work.

9. [§310] Rights of Access

For the purposes of assuring compliance with this Agreement, representatives of the **Agency** and the **City** shall have the reasonable right of access to the Site without charges or fees, at normal construction hours during the period of construction for the purposes of this Agreement, including but not limited to the inspection of the work being performed in constructing the improvements. Such representatives of the **Agency** or the **City** shall be those who are so identified in writing by the Executive Secretary of the **Agency**.

10. [§311] Local, State and Federal Laws

The **Redeveloper** shall carry out the construction of the improvements in conformity with all applicable laws, including all applicable federal and state labor standards. **Redeveloper** shall defend, indemnify and hold the **Agency** and the City harmless from and against any and all claims, liabilities, causes of action, losses, damages, costs and expenses relating directly or indirectly to, or arising directly or indirectly from, any violation or claimed violation of applicable laws by **Redeveloper**, including, without limitation, violations of: (i) applicable local and state labor standards; and (ii) any failure to pay prevailing wages as described in California Labor Code Sections 1720 et seq that are required to be paid under applicable laws.

11. [§312] Antidiscrimination During Construction

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

B. [§313] <u>Responsibilities of the Agency</u>

The **Agency**, without expense to the **Redeveloper** or assessment or claim against the Site, shall perform all obligations specified in the Scope of Development that the **Agency** is required to perform within the times specified in the Schedule of Performance, subject to deemed disapproval concepts in this Agreement.

C. [§314] <u>Taxes, Assessments, Encumbrances and Liens</u>

The **Redeveloper** shall pay when due all real estate taxes and assessments assessed and levied on the Site for any period subsequent to conveyance of title of the Site. The **Redeveloper** shall not place or allow to be placed on the Site any mortgage, trust deed, encumbrance or lien not approved by Agency. The **Redeveloper** shall remove or have removed any levy or attachment made on the Site, or assures the satisfaction thereof, within 30 days but in any event prior to a sale thereunder. Nothing herein contained shall be deemed to prohibit the **Redeveloper** from contesting the validity or amounts of any tax, assessment, encumbrance or lien, nor to limit the remedies available to the **Redeveloper** in respect thereto.

The **Redeveloper** understands that under certain conditions his control of the Site, or any portion thereof, under this Agreement may give rise to the imposition of a possessory interest tax on said property, and in such event, **Redeveloper** agrees to pay when due any such possessory interest tax.

D. [§315] <u>Prohibition Against Transfer of Site, the Buildings or Structures and Assignment of Agreement</u>

Prior to the recordation by the **Agency** of the Certificate of Completion pursuant to Section 323 hereof, the **Redeveloper** shall not, except as expressly permitted by Section 107 of this Agreement, sell, transfer, convey, assign or lease the whole or any part of the Site or the buildings or structures thereon without the prior approval of the **Agency**. This prohibition shall not apply subsequent to the recordation of the Certificate of Completion with respect to the improvements upon the Site. This prohibition shall not be deemed to prevent the granting of easements or permits to facilitate the development of the Site.

In the absence of specific written agreement by the **Agency**, no such transfer, assignment or approval by the **Agency** shall be deemed to relieve the **Redeveloper** or any other party from any obligations under this Agreement until completion of development as evidenced by recordation by a Certificate of Completion.

E. [§316] <u>Security Financing; Right of Holder</u>

1. [§317] <u>No Encumbrances Except Mortgages, Deeds of Trust, Sales and Leases-back or Other Financing for Development</u>

Notwithstanding Section 314 and 315, any reasonable method of financing reasonably approved by Agency is permitted before issuance of a Certificate of Completion for the Site, but only for the purpose of securing loans and funds to be used for financing the acquisition of the Site, the construction of improvements on the Site and any other expenditures necessary and appropriate to develop the Site under this Agreement. The **Redeveloper** shall notify the **Agency** in advance of any financing if the **Redeveloper** proposes to enter into the same before issuance of a Certificate of Completion for the Site. The **Redeveloper** shall not enter into any financing without the prior written approval of the **Agency,** which approval shall not be unreasonably held. Such lender shall be deemed disapproved unless approved in writing by the **Agency** within ten (10) days after notice thereof to the **Agency** by the **Redeveloper**. In any event, the **Redeveloper** shall promptly notify the **Agency** of any financing 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 **Redeveloper** or otherwise.

2. [§318] <u>Holder Not Obligated to Construct Improvements</u>

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

3. [§319] <u>Notice of Default to Mortgage, Deed of Trust or Other Security Interest Holders; Right to Cure</u>

Whenever the **Agency** shall deliver any notice or demand to the **Redeveloper** with respect to any breach or default by the **Redeveloper** in completion of construction of improvements, 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 whose name and address shall have been delivered by Developer to Agency in writing with a reference to this Section 319 a copy of such notice or demand. Each such holder shall (insofar as the rights of the **Agency** are concerned) have the right at its option within ninety (90) days after receipt of the notice, to cure or remedy or commence to cure or remedy any such default and to add the cost thereof to the security interest debt and the lien on its security interest. 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 **Redeveloper's** obligations to the **Agency** with respect to the Site to which such obligations pertain. 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 relates, and submit evidence satisfactory to the **Agency** that it has the qualifications and financial responsibility necessary to perform such improvements; and shall be entitled, upon written request made to the **Agency**, to a Certificate of Completion from the **Agency**.

4. [§320] <u>Failure of Holder to Complete Improvements</u>

In any case where, twelve (12) months after default by the **Redeveloper** in the completion of the 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 has not exercised the option to construct, or if it exercised the option and has not proceeded diligently with construction, the **Agency** may purchase the mortgage, deed of trust or other security interest by payment to the holder of the amount of the unpaid debt, plus any accrued and unpaid interest. If the ownership of the Site has vested in the holder, the **Agency**, if it so desires, shall be entitled to a conveyance from the holder to the **Agency** upon payment to the holder of an amount equal to the sum of the following:

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

b. All expenses with respect to foreclosure proceedings;

c. The reasonable net expenses, if any (inclusive of general overhead), incurred by the holder as a direct result of the subsequent management of the Site;

d. The costs of any improvements made by such holder in compliance with this Agreement; and

e. An amount equivalent to the non-default rate interest that would have accrued on the aggregate of such amounts had all become part of the mortgages or deed of trust debt and such debt had continued in existence to the date of payment by the **Agency**.

5. [§321] <u>Right of Agency to Cure Mortgage, Deed of Trust or Other Security Interest Default</u>

In the event of a default or breach by the **Redeveloper** of a mortgage, deed of trust or other security instrument with respect to the Site, prior to the completion of the development and the holder has not exercised its option to complete the development or has not assumed the obligations of Redeveloper, the **Agency** may cure the default, prior to completion of any foreclosure. In such event the **Agency** shall be entitled to reimbursement from the **Redeveloper** of all costs and expenses incurred by the **Agency** incurring the default. The **Agency** shall also be entitled to a lien upon the Site to the extent of such costs and disbursements. Any such lien shall be subject to mortgages, deeds of trust or other security instruments executed for the sole purposes of obtaining funds to purchase and develop the Site as authorized herein.

F. [§322] <u>Right of the Agency to Satisfy Other Liens on the Site After Title Passes</u>

After the conveyance of title by the **Agency** to the **Redeveloper** and prior to the recordation of a Certificate of Completion for construction and development, and after the **Redeveloper** has had a reasonable time to challenge, cure or satisfy any liens or encumbrances on the Site, the **Agency** shall have the right to satisfy any such liens or encumbrances, provided, however, that nothing in this Agreement shall require the **Redeveloper** to pay or make provision for the payment of any tax, assessment, lien or charge so long as the **Redeveloper** in good faith shall contest the validity or amount thereof, and so long as such delay in payment shall not subject the Site to forfeiture or sale.

G. [§323] <u>Certificate of Completion</u>

Promptly after completion of construction and development by the **Redeveloper** upon the Site, the **Agency** shall furnish the **Redeveloper** with a Certificate of Completion upon written request therefore by the **Redeveloper**. Such Certificate of Completion shall be in such form as to permit it to be recorded in the Office of the Recorder of Los Angeles County.

The Certificate of Completion shall be executed and delivered by the Agency, and shall so state, conclusive determination of satisfactory completion of the construction required by this Agreement upon such Site and of full compliance with the terms hereof and otherwise shall be in the form of attached hereto as Exhibit F. After issuance of such Certificate of Completion, any party then owning or thereafter purchasing, leasing or otherwise acquiring any interest in the Site covered by said Certificate of Completion shall not (because of such ownership, purchase, lease or acquisition) incur any obligation or liability under this Agreement, except that such party shall be bound by any covenants contained in the deed, lease, mortgage, deed of trust, contract or other instrument of transfer in accordance with the provisions of Sections 401-403 of this Agreement. Except as otherwise provided herein, after the issuance of a Certificate of Completion neither the **Agency**, the **City** nor any other person shall have any rights, remedies or controls with respect to the Site 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 relating to completion of construction of the improvements upon the Site.

The **Agency** shall not unreasonably withhold any Certificate of Completion. If the **Agency** refuses or fails to furnish a Certificate of Completion for the Site after written request from the **Redeveloper**, the **Agency** shall, within ten (10) days of the written request, provide the **Redeveloper** with a written statement of the reasons the **Agency** refused or failed to furnish a

Certificate of Completion. The statement shall also contain the **Agency's** opinion of the action the **Redeveloper** must take to obtain a Certificate of Completion. If the reason for such refusal is confined to the immediate availability of specific items of materials for landscaping, the **Agency** will issue its Certificate of Completion upon the posting of a bond by the **Redeveloper** with the **Agency** in the amount representing a fair value of the work not yet completed. If the **Agency** shall have failed to provide such written statement within said 10-day period the **Redeveloper** shall be deemed entitled to the Certificate of Completion.

After the Certificate of Completion has been furnished for the Site, the **Redeveloper** shall be deemed to have satisfactorily completed the construction and development of the Site in full compliance with the terms of this Agreement.

Such Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of the **Redeveloper** to any holder of a mortgage, or any insurer of a mortgage securing money loaned to finance the improvements or any part thereof. Such Certificate of Completion is not notice of completion as referred to in the California Civil Code Section 3093.

IV. [§400] USE OF THE SITE

A. [§401] Uses

The **Redeveloper** covenants and agrees for itself, its successors, its assigns and every successor in interest that during construction and thereafter, the **Redeveloper**, its successors and assignees shall devote the Site to the uses specified in the Redevelopment Plan and this Agreement for the periods of time specified therein unless said use is not approved by all governing bodies/agencies.

The foregoing covenants shall run with the land.

B. [§402] Obligation to Refrain from Discrimination

The **Redeveloper** covenants by and for himself, and any successors in interest, that there shall be no discrimination against or segregation of any person, or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, rental, sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site, nor shall the **Redeveloper** himself or any such person claiming under or through him 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. The foregoing covenants shall run with the land.

C. [§403] Form of Nondiscrimination and Nonsegregation Clauses

All deeds, leases or contracts entered into by Redeveloper that relate to the site or any portion thereof shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

1. In deeds: "The grantee herein covenants by and for and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group or persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee himself, 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.

   Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

2. In leases: "The lessee herein covenants by and for himself, his heirs, executors, administrators and assigns, and all persons claiming under or through him, and that 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 or persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the leasing, subleasing, transferring, use, or enjoyment of the land herein leased nor shall the lessee himself, or any person claiming under or through him, 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 leased.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

3. In contracts: "There shall be no discrimination against or segregation of, any person or group or persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee himself or any person claiming under or through him, 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.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

D. [§404] <u>Effect and Duration of Covenants</u>

Except as otherwise provided, the covenants established in this Agreement and the deed, without regard to technical classification and designation, be binding for the benefit and in favor of the **Agency**, its successors and assigns, the **City** and the successor in interest to the Site or any part thereof. The Redeveloper's covenants against racial discrimination shall remain in perpetuity.

The **Agency** is deemed the beneficiary of the terms and provisions of this Agreement and of covenants running with land, in its own rights and for the purpose of protecting the interests of the community and other parties, public or private, in whose favor and for whose benefit this Agreement and the covenants running with the land have been provided. This Agreement and the covenants shall run in favor of the **Agency** without regard to whether the **Agency** has been, remains, or is an owner of any land or interest therein in the Site, any parcel or sub-parcel, or in the Project Area. The **Agency** shall have the right if the Agreement or covenants are breached, to exercise all rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of this Agreement and covenants may be entitled.

E. [§405] <u>Rights of Access - Public Improvements and Facilities</u>

The **Agency** for itself, and for the **City** and other public agencies, at their sole risk and expense, reserves the right to enter the Site or any part thereof at all reasonable times and with as little interference as possible, for the purposes of construction, reconstruction, maintenance, repair or service of any public improvements or public facilities located on the Site. Any such entry shall be made only after reasonable notice to **Redeveloper**, and **Agency** shall indemnify and hold **Redeveloper** harmless from any claims or liabilities pertaining to any entry. Any damage or injury to the Site resulting from such entry shall be promptly repaired at the sole expense of the public agency responsible for the entry.

F. [§406] <u>Employment of Compton Residents</u>

The Developer understands that one of the motivations of the Agency in entering into this Agreement is to create new job opportunities for the residents from the City of Compton. Developer hereby agrees that:

1) during the development of the Site as provided herein, Developer shall contractually require its contractors and subcontractors to provide to Agency's Career Link Service a list of job positions, if any, which such contractors and subcontractors intend to fill with new employees in order to develop the Site, together with a list of hiring criteria and job requirements for potential employees, at least seven (7) days prior to filling the applicable positions(s); and

2) Agency and/or the City may then choose to post such information on its CareerLink service or provide to Redeveloper, and/or contractors, as applicable, a list of potential qualified applicants (<u>i.e.</u>, those applicants meeting the stated hiring criteria). Developer agrees, and shall cause the contractors to agree, to review and fairly consider for employment those qualified applicants. Nothing contained herein shall be deemed to require Developer or any tenant to or contractor alter its standard hiring criteria and/or practices nor violate any Federal, state or local laws regarding discrimination with respect to any person.

V. [§500] DEFAULTS, REMEDIES AND TERMINATION

A. [§501] <u>Defaults - General</u>

Subject to the extensions of time set forth in Section 604, failure or by either party to timely perform any covenant to be performed by it under this Agreement constitutes a default under this Agreement.

The injured party shall give written notice of default to the party in default, specifying the default complained of by the injured party. Except as required to protect against further damages, and except as otherwise expressly provided in Sections 507 and 508 of this Agreement and except for the failure to meet any deadlines or date in the Schedule of Performance as extended under Section 604, the injured party may not institute proceedings against the party in default until thirty (30) days after giving such notice, or such longer period of time during which the default is being cured, and no such proceedings shall be instituted while any such default is being cured. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default.

Except as otherwise expressly provided in this Agreement, any failure or delay by either party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies or deprive such 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.

B. [§502] Legal Actions

1. [§503] Institution of Legal Action

In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, or recover damages for any default, or to obtain any other remedy consistent with the purpose of this Agreement. Such legal actions must be instituted in the Superior Court of the County of Los Angeles, State of California, or in the Federal District Court in the Central District of California.

2. [§504] Applicable Law

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

3. [§505] Acceptance of Service of Process

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

In the event that any legal action is commenced by the **Agency** against the **Redeveloper**, service of process on the **Redeveloper** shall be made by personal service upon a corporate officer of the **Redeveloper** or in such other manner as may be provided by law and shall be valid whether made within or without the State of California.

C. [§506] Rights and Remedies are Cumulative

Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties 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 time or different times, of any other rights or remedies for the same default or any other default by the other party.

D. [§507] Damages

If the **Redeveloper** or the **Agency** defaults with regard to any of the provisions of this Agreement, the non-defaulting party shall serve written notice of such default upon the defaulting party. If the default is not cured or commence to be cured by the defaulting party within the time for cure as set forth in Section 501 hereof, the defaulting party shall be liable to the other party for any damages caused by such default.

E. [§508] Specific Performance

If the **Redeveloper** or the **Agency** defaults under any of the provisions of this Agreement, the non-defaulting party shall serve written notice of such default upon the defaulting party. If the default has not commenced to be cured by the defaulting party within the time for cure as set forth in Section 501 hereof,, the non-defaulting party at its option may institute an action for specific performance of the terms of this Agreement.

F. [§509] Damages for Default of Employment of Compton Residents

In the event the **Redeveloper** fails, in the reasonable judgment of the Contract Compliance Officer, to demonstrate its good faith attempt to meet the provisions of the Employment of Compton Residents Section 406 of this Agreement, the Contract Compliance Officer shall have the right to impose upon and receive from the **Redeveloper** a maximum penalty in the amount of One Hundred Dollars ($100.00) for each calendar day after there has been a final determination of noncompliance until the date that redeveloper complies with said Section 406 .

G. [§510] Remedies and Rights of Termination Prior to Conveyance of the Site to the Redeveloper

1. [§511] Termination by the Redeveloper

If the **Agency** does not sign this Agreement within twenty (20) days after the date of signature by **Redeveloper** and deliver a copy to the **Redeveloper**, then the **Redeveloper**, may terminate this Agreement by written notice to the **Agency**, and neither the **Agency** nor the **Redeveloper** will have any further rights against or liability to the other under the Agreement with respect to the Site. In the event of the occurrence of any event stated in this Section above, the right of termination provided in this Section will be **Redeveloper**'s sole and exclusive remedy. Upon termination pursuant to this Section, the Performance Deposit shall be returned to the **Redeveloper**.

2. [§512] Termination by the Agency

In the event that prior to conveyance to the Site to the **Redeveloper**:

a. The **Redeveloper** assigns or attempts to assign this Agreement or any rights herein, or in the Site in violation of this Agreement; or

b. There is any significant change in the ownership or identity of the **Redeveloper**, or the parties in control of the **Redeveloper** or the degree thereof contrary to the provisions of Section 107 hereof; or

c. The **Redeveloper** does not submit evidence that it has the necessary equity capital and mortgage financing for the acquisition and development of the Site, in satisfactory form and the manner and by the dates provided in this Agreement; or

d. The **Redeveloper** fails to submit to the **Agency** construction plans, drawings, and related documents as required by this Agreement; or

e. The **Redeveloper** does not pay the Disposition Price and take title to the Site under tender of conveyance by the **Agency** pursuant to this Agreement; or

and any default or failure referred to above shall not be cured within the time set forth in Section 501 hereof after the date of written demand by the Agency, then this Agreement, and any rights of the **Redeveloper** or any assignee or transferee in this Agreement, pertaining thereto or arising there from with respect to the **Agency**, shall, at the option of the **Agency** be terminated by the **Agency** exercising its rights under Section 513.

In the event of termination under this Section, if **Redeveloper** should default upon its obligations, making it necessary for the **Agency** to terminate this Agreement and to procure another party or parties to redevelop the Site in substantially the manner and within the period that such Site would be redeveloped under the terms of this Agreement, then the **Agency** shall be entitled to the full extent of damages otherwise provided by law.

H. [§513] <u>Right of Reverter</u>

Title to the Site theretofore conveyed to the **Redeveloper** shall terminate and thereafter automatically revest in the **Agency**, if after conveyance of title to the Site and prior to recordation of the Certificate of Completion, the **Redeveloper** shall:

1. Fail to proceed with the construction of the improvements as required by this Agreement for a period of one hundred eighty (180) days after written notice thereof from the **Agency**; or

2. Abandon or substantially suspend construction of the improvements for a period of one hundred eighty (180) days after written notice of such abandonment or suspension from the **Agency**; or

3. Transfer, or suffer any involuntary transfer of the Site, or any part thereof, in violation of this Agreement, after notice from the Agency and expiration of applicable cure periods.

4. Miss any deadline in the Schedule of Performance, subject to Force Majeure Delays.

Such automatic right of reverter to the extent provided in this Agreement, shall be subordinate and subject to and be limited by and shall not defeat, render invalid, or limit:

1. Any mortgage, deed of trust or other security instrument permitted by this Agreement; or

2. Any rights or interest provided in this Agreement for the protection of the holder of such mortgages, deeds of trust or other security instruments.

Notwithstanding the above, however, the Agency shall have no right to retake possession of residential units and portions of the Site sold to individual homebuyers in the ordinary course of business. The grant deed shall contain appropriate reference and provision to give effect to the **Agency's** automatic right, as set forth in this Section under specified circumstances prior to the recordation of the Certificate of Completion, of reverter and thereafter to reenter and take possession of the Site with all improvements thereon.

Upon the revesting in the **Agency** of title to the Site or any part thereof as provided in this Section, the **Agency** shall, pursuant to its responsibilities under State law, use good faith efforts to resell the Site or part thereof as soon and in such manner as the **Agency** shall find feasible and consistent with the objectives of such law and of the Redevelopment Plan to a qualified and responsible party or parties (as determined by the **Agency**), who will assume the obligation of making or completing the improvements, or such other improvements in their stead, as shall be satisfactory to the **Agency** and in accordance with the uses specified for the Site or part thereof in the Redevelopment Plan. Upon such resale of the Site the proceeds thereof shall be applied:

1. First, to reimburse the **Agency** on its own behalf or on behalf of the City, for all costs and expenses incurred by the **Agency**, including but not limited to salaries to personnel, in connection with the recapture, management and resale of the Site or part thereof (but less any income derived by the **Agency** from the Site or part thereof in connection with such management); all taxes, assessments, and water and sewer charges with respect to the Site or part thereof (or, in the event the Site is exempt from taxation or assessment or such charges during the period of ownership to such taxes, assessments, or charges [as determined by the County assessing official] as would have been

payable if the Site were not so exempt); any payments made or necessary to be made to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults, or acts of the **Redeveloper**; any expenditures made or obligations incurred with respect to the making or completion of the improvements or any part thereof on the Site or part thereof; and any amounts otherwise owed to the **Agency** by the **Redeveloper**; and

2. Second, to reimburse the **Redeveloper** up to the amount equal to (1) the sum of the Disposition Price paid to the **Agency** by the **Redeveloper** for the Site (or allocable to the part thereof); plus (2) the reasonable costs incurred by Redeveloper for the development of the Site and for the improvements existing on the Site at the time of the reentry and repossession; less (3) any gains or income withdrawn or made by the **Redeveloper** from the Site or the improvements thereon.

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

I. [§514] <u>Option to Repurchase, Reenter and Repossess</u>

If a court of law should fail to recognize **Agency's** foregoing Right of Reverter, then, the **Agency** shall have the additional rights at its option to repurchase, reenter and take possession of the Site with all improvements thereon, if prior to the recordation of the Certificate of Completion for the Site, **Redeveloper** shall:

1. Fail to proceed with the construction of the improvements as required by this Agreement for a period of one hundred eighty (180) days after written notice thereof from the **Agency**: or

2. Abandon or substantially suspend construction of the improvements for a period of one hundred eighty (180) days after written notice of such abandonment or suspension from the **Agency**; or

3. Transfer, or suffer any involuntary transfer of the Site, or any part thereof, in violation of this Agreement, after notice from the Agency and expiration of applicable cure periods.

4. Miss any deadline in the Schedule of Performance, subject to Force Majeure Delays.

Such right to repurchase, reenter and repossess, to the extent provided in this Agreement, shall be subordinate and subject to and be limited by and shall not defeat, render invalid, or limit:

1. Any mortgage, deed of trust or other security instrument permitted by this Agreement;

2. Any rights or interests provided in this Agreement for the protection of the holder of such mortgages, deeds of trust or other security instruments.

To exercise its rights to take possession with respect to the Site, the **Agency** shall pay to the **Redeveloper** in cash an amount equal to:

1. The Disposition Price paid to the **Agency** for the Site thereof; plus

2. The reasonable costs incurred for on-site labor and materials for the construction of the improvements existing on the Site at the time of the repurchase, reentry, and repossession; less

3. Any gains or income withdrawn or made by the **Redeveloper** from the Site of the improvements thereon.

This provision equally applies to automatic right of reverter as set forth in Section 513(2)

VI. [§600] GENERAL PROVISIONS

A. [§601] <u>Notices, Demands and Communications Between the Parties</u>

Formal notices, demands and communications between the **Agency** and the **Redeveloper** shall be sufficiently given if dispatched by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of the **Agency** and the **Redeveloper**. Such written notices, demands and communications shall be sent in the same manner to such different or additional addresses as either party may from time-to-time designate by mail.

B. [§602] <u>Conflict of Interests</u>

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

The **Redeveloper** warrants that it has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Agreement.

C. [§603] <u>Nonliability of Agency Officials and Employees</u>

No member, official or employee of the **Agency** shall be personally liable to the **Redeveloper** in the event of any default or breach by the **Agency** or for any amount which may become due to the **Redeveloper** or on any obligations under the term of this Agreement.

D. [§604] <u>Enforced Delay: Extension of Times of Performance</u>

In addition to specific provisions of this Agreement, a party shall not be deemed to be in default if its failure to perform or delay in performing any covenant is caused due to war; acts of terrorism; insurrections; strikes; lockouts; riots; floods' earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; litigations unusually severe weather; inability to secure necessary labor, materials or tools; delays of any contractor; subcontractor or supplier; acts of another party; delay by the Agency in approving or disapproving any submittal by Redeveloper that exceeds thirty (30) days (in which case only the period of time in excess of the 30 days shall constitute the delay for purposes of this Section); act of any public or governmental agency or entity (other than that acts or failures to act of the **Agency** shall not excuse performance by the **Agency**, and acts of the City that are within the City's governmental authority shall not excuse failure to perform by the Developer) 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 only be for the period of the enforced delay, which period shall commence to run from the time of the commencement of the cause. If, however, notice by the party claiming such extension is sent to the other parties more than one hundred twenty (120) days after the commencement of the cause, the period shall commence to run only one hundred twenty (120) days. The **Agency** and the **Redeveloper** may also extend times of performance under this Agreement in writing.

E. [§605] <u>Inspection of Books and Records</u>

The **Agency** has the right, upon not less than one (15) business days' prior written notice, at all reasonable times to inspect the books and records of the **Redeveloper** pertaining to the Site as pertinent to the purposes of this Agreement.

F. [§606] <u>Plans and Data</u>

Where the **Redeveloper** does not proceed with the purchase and development of the Site, and when this Agreement is terminated pursuant to Section 511 hereof for any reasons, the **Redeveloper** shall deliver to the **Agency** copies of any and all plans and data concerning the Site, subject to the rights of the preparers of such plans and data.

G. [§607] <u>Approval by Agency</u>

The Agency shall maintain authority of this Agreement and the authority to implement this Agreement through the Agency's Executive Secretary (or his duly authorized representative). The Agency's Executive Secretary shall have the authority to execute amendments, waive provisions, make approvals and issue interpretations of this Agreement on behalf of the Agency so long as such actions do not constitute material or substantial changes. Such approvals and interpretations may include extensions of time to perform as specified in the Schedule of Performance, and minor or non-substantive changes to the Scope of Development. All other material and/or substantive approvals, interpretations, waivers or amendments shall require the consideration, action and written consent of the Agency Board.

VII. [§700] SPECIAL PROVISIONS

A. [§701] Amendment of Redevelopment Plan

Pursuant to provisions of the Redevelopment Plan for modification or amendment thereof, the **Agency** agrees that no amendment which changes the uses or development permitted on the Site or changes the restrictions or controls that apply to the Site or otherwise affects the Site shall be made or become effective without the prior written consent of the **Redeveloper**. Amendments to the Redevelopment Plan applying to other property in the Project Area shall not require the consent of the **Redeveloper**.

B. [§702] Amendments to this Agreement

The **Redeveloper** and the **Agency** agree to mutually consider reasonable requests for amendments to this Agreement which may be made by any of the parties hereto, lending institutions, or bond counsel or financial consultants to the **Agency**, provided said requests are consistent with this Agreement and would not materially and adversely affect Agency's rights, interests or obligations under this Agreement.

C. [§703] Real Estate Commissions

The **Agency** shall not be liable for any real estate commission, brokerage fees or finder's fees, which may arise, from this Agreement or the acquisition of the Site.

D. [§704] Agency Compliance with Community Redevelopment Law

The Agency represents and warrants that this Agreement has been duly authorized in accordance with the requirements of the Community Redevelopment Law and that the terms hereof are lawful and fully enforceable against Agency. Developer acknowledges that nothing in this Agreement, however, binds the City.

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

This Agreement is executed in six (6) duplicate originals, each of which is deemed to be an original. This Agreement comprises pages 1 through 37, inclusive, and Exhibits A through H, which constitute the entire understanding and agreement of the parties.

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

All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the Agency and the Redeveloper, and all amendments hereto must be in writing and signed by the appropriate authorities of the Agency and the Redeveloper.

Redeveloper acknowledges that is has had ample opportunity for review and approval of this document by its attorney and that any waiver of representation is as a result of independent decision. Redeveloper further acknowledges that Agency Attorney is acting solely on behalf of Agency.

DEVELOPER:

ADVANCED REAL ESTATE SERVICES, INC.,
a California corporation

By: ___________________________

Print Name: ____________________

Title: _________________________

By: ___________________________

Print Name: ____________________

Title: _________________________

AGENCY:

COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF COMPTON

____
EXECUTIVE SECRETARY

APPROVED AS TO FORM:

____
CITY ATTORNEY

ATTEST:

____
CLERK OF THE AGENCY

EXHIBIT "A"

MAP OF THE SITE

[Attached.]

EXHIBIT "B"

LEGAL DESCRIPTION OF THE SITE

APN: 6139-028-900

PORTION OF SAN PEDRO RANCHO RANGE 2 LOT COM AT INTERSECTION OF N LINE OF ALONDRA BLVD PER CSB686-2 WITH W LINE OF LOT 3 TH E ON SO N LINE 522.94 FT WITH A UNIFORM DEPTH OF 1450.47 FT N 11/W

EXHIBIT "C"

SCHEDULE OF PERFORMANCE

	Item to be Performed	**Time for Performance**
1.	Initial Basic Concept Drawings	Prepared, received and approved
2.	**Agency** executes DDA	Within 20 days after execution by **Redeveloper** of DDA and delivery to Agency
3.	Parties open the Disposition Escrow	Within 7 days after **Agency** execution of DDA
4.	**Agency's** good faith efforts to cause delivery of Preliminary Title Report to **Redeveloper**	Within 30 days after date of DDA
5.	**Redeveloper** gives notice approving or disapproving title exceptions (with reasons)	Within 30 days after delivery of Preliminary Title Report to **Redeveloper**
6.	**Agency** delivers notice to **Redeveloper** as to whether it will cure disapproved exceptions	Within 30 days after receipt of **Redeveloper's** notice
7.	**Redeveloper's** site investigation, testing and estimate of remediation and closure costs, and Redeveloper's delivery to Agency of (i) remediation estimate (and detailed explanation/rationale of estimate to Agency with supporting studies), (ii) remediation time period, and (iii) any necessary revisions to the initial Basic Concept Drawings	As soon as reasonably possible, but <u>not later than</u> two years and six months after execution of DDA
8.	**Agency** review and approval/disapproval of remediation estimate and time period and any submitted revisions to the initial Basic Concept Drawings	Within sixty (60) days after receipt
9.	**Redeveloper** revisions of estimate cost and time period (or election to arbitrate)	Within thirty (30) days after receipt of Agency disapproval and comments
10.	Arbitration of cost estimate and/or remediation time period (if necessary)	Section 216
11.	Submission of Tentative Tract Map by **Redeveloper**	Ninety (90) days from Agency approval of any necessary revisions to initial Concept Drawings or ninety days from Agency's approval of any revisions made to concept plan as a result of regulatory agency approval . In any event the time shall be the latest of the above (or if no revisions are proposed, then within 90 days after conclusion of Arbitration, but in any event map must be approved as condition to the Close of Escrow)

12.	**Redeveloper's** Submission of Construction Plans, Drawings, Landscaping & Grading Plans for approval by City and Agency – Item III.A.3 of the DDA	Within 180 days after approval of the Tentative Tract Map by all applicable Governmental Agencies
13.	Close of Escrow (and delivery of Disposition Price)	As soon as reasonably possible, and within but no later than 3 years after DDA is executed unless extended as called for within this contract.
14.	Commencement of Remediation	Within sixty (120) days after Closing
15.	Completion of Remediation	Per completion time period approved by Agency or determined by arbitration, as applicable
16.	Commencement of Vertical Construction	Within six (6) months after completion of remediation, as extended by any unreasonable delays by City in issuing permits
17.	Completion of 15 of the homes	Within one (1) year after the commencement of vertical construction
18.	Completion of all construction (each and every home)	Forty-eight (48) months after commencement of vertical construction

Notwithstanding the preceding or any other provision of this Agreement to the contrary, if Redeveloper fails to comply with the Schedule of Performance or has otherwise defaulted under any obligation under this Agreement, then seller shall deliver written notice to Buyer specifying the nature of the failure and the performance required of Buyer. If Buyer fails to perform the obligation within ten (10) days (if the obligation is monetary in nature) or (30) days (if the obligation is not monetary in nature) after delivery of the notice, then Buyer shall be default hereunder and Seller shall have the right to terminate this Agreement; provided, however, if the nature of the non-monetary obligation is such that more than thirty (30) days is required to complete performance of the obligation, then Buyer shall not be in default hereunder if Buyer commences such performance within said thirty (30) day period and thereafter diligently continues such performances until completed.

□ □□

EXHIBIT "D"

SCOPE OF DEVELOPMENT

I. GENERAL DESCRIPTION

The property encompass approximately 17.9-acres of vacant land. The Redeveloper agrees to cause the construction of approximately 100 for-sale residential homes, in accordance with this Agreement.

The development shall conform to the Redevelopment Plan for the Compton Redevelopment Project Area. Redeveloper must also comply with the City's landscaping requirements, all conditions of approval and with all mitigation measures imposed as part of the environmental clearance process. All issues, conditions and requirements set forth in this Scope of Development shall be mutually agreed upon by the parties, but shall be pursuant to review and approval by the City.

The Redeveloper shall be responsible for paying for any and all City improvements as well as building and permit fees.

II. DESIGN OBJECTIVES

Following is a statement of design objectives for development of the Site:

A. The creation and achievement of an attractive and pleasant environment reflecting a high level of concern for architectural and urban design principles both in terms of the development itself and its compatibility and suitability with the surrounding land use and development in the community.

B. The provision of a pleasing, safe and well-maintained residential environment.

III. DEVELOPMENT STANDARDS

A. Building Setbacks. Minimum building setbacks for buildings and parking areas shall be as required by the Municipal Code.

B. Building Coverage. The amount of land within the Site covered by buildings shall be as required by the Redevelopment Plan and as regulated by the Zoning Ordinance and other local regulations.

C. Building Height. Building height shall be as regulated by the Zoning Ordinance and other local regulations.

D. Vehicular Access. The placement of vehicular driveways shall be coordinated with the needs of proper street traffic flow. In the interest of minimizing traffic congestion, the City will control the number and location of curb breaks for access to the Site for off-street parking and access.

E. Signs. All signs shall be in compliance with the City of Compton's Sign Ordinance. Signs shall be limited in size, subdued and otherwise designed to contribute positively to the environment.

F. Landscaping. Redeveloper shall provide for all new construction, and maintain landscaping within the public rights-of-way and within setback areas along all street frontages. Redeveloper shall provide landscaping in areas shown on the Site Plan and provide for automatic irrigation of landscaped areas.

Landscaping shall consist of trees, shrubs and installation of an irrigation system adequate to maintain such plant material. The type and size of trees to be planted, together with landscaping plan, shall be subject to approval by the Executive Secretary, the City Street Supervisor and ARB prior to planting.

Redeveloper is responsible for providing parkway landscaping as required in the public right-of-way adjacent to the Site at Redeveloper's sole cost and expense. The general maintenance of the parkway shall be the responsibility of Redeveloper.

H. Utilities. All newly installed utilities on the Site shall be underground or enclosed at Redeveloper's expense. No meters or other mechanical equipment shall be exposed in yard areas or on roofs. Redeveloper shall be responsible for all utility installations on the Property and hookups to sewers, drains, water and gas distribution lines, electric, telephone and telegraph lines, and for hookup to all other public utility lines. All newly installed utility services on-site shall be installed underground or concealed within buildings.

I. Parking. On-site parking for the development shall consist of not less than the number of spaces required by the Zoning Ordinance.

J. Redevelopment Agency Plan Standards. The criteria and standards established by the Redevelopment Plan are hereby incorporated as a part of this Agreement. In no case is the Redeveloper relieved of the requirements of the Plan or of any laws, codes, requirements or administrative regulations of the State of California or the City.

K. Refuse Service Area. All refuse shall be kept in enclosed containers out of site of public view.

L. Codes. The project shall be developed in accordance with the latest City codes and requirements as they relate to construction.

IV. PUBLIC IMPROVEMENTS

A. The Redeveloper, at Redeveloper's expense, may be required to provide or cause to be provided the following public improvements (as necessary for the project) within the time set forth for completion of such improvements in the Schedule of Performance. Required improvements shall be identified by the Architectural Review Board.

1. Installation or relocation of such sewers, drains, water and gas distribution lines, electric, telephone and telegraph lines, and all other public utility lines, installations, and facilities as are necessary to be installed or relocated on or in connection with Redeveloper improvements provided that the City shall not be responsible for, nor bear any portion of the cost of, installing the necessary utility connections within the boundaries constructed by the Redeveloper and the water, sanitary sewer, storm drains, and other public utilities owned by the City, electric, gas, telephone, or other public lines owned by a public utility company within or without such boundaries and the Redeveloper shall secure any permits required for any such installation without expense to the City.

2. Remove and replace any public works improvements damaged during construction at the Redeveloper's expense and as determined by the City Engineer.

B. All of Items 1 to 2 inclusive shall be performed in accordance with the technical specifications, standards, and practices of the City Engineer. Once such items are constructed, Redeveloper shall be responsible at his expense for (1) any and all repairs due to damage caused by Redeveloper's construction, and (2) changes required by the Redeveloper.

C. The City does not and cannot stipulate the requirements of other public and quasi-public agencies (i.e., gas, electric and telephone). It is understood that the cost of the above public improvements includes the cost of engineering, design work, supervision of construction and inspection, and that these items will be at the expense of the Redeveloper. The Redeveloper will construct the off-site improvements at the Redeveloper's expense and under the direction and specifications of the City Engineer. The City will not provide or pay for the cost of any on-site or off-site improvements as required by the Architectural Review Board.

EXHIBIT "E"

Recording Requested by:

COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF COMPTON

After Recordation, Mail to:
Advanced Real Estate Services, Inc.
23792 Rockfield Blvd,. Suite 100,
Lake Forest, CA 92630

QUITCLAIM DEED

For valuable consideration, the receipt of which is hereby acknowledged,

THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, a public body, corporate and politic, of the State of California (the "Grantor"), acting to carry out the Redevelopment Plan (the "Redevelopment Plan") for the Compton Redevelopment Project Area under the Community Redevelopment Law of the State of California, hereby grants to **ADVANCED REAL ESTATE SERVICES, INC** (the "Grantee"), all of its right, title and interest in, under and to that real property (the "Property") situated within the County of Los Angeles and legally described in the document attached hereto, labeled Exhibit A, and incorporated herein by this reference, except for dedications and offers to dedicate on subdivision maps and public rights of way.

1. The Property is conveyed subject to the Redevelopment Plan and pursuant to the terms and conditions of a Disposition and Development Agreement entered into by and among the Grantor and the Grantee dated ____________, 2008 (herein referred to as the "Agreement") which includes rights of reverter in favor of the Agency.

2. The Grantee hereby covenants and agrees, for itself and its successors and assigns, that during construction and thereafter, the Grantee shall not use the Site for other than the uses specified in the Redevelopment Plan, the Agreement ("the Agreement") and this Grant Deed. The provisions of this paragraph 2 shall expire upon the expiration or termination of the Redevelopment Plan.

3. The Grantee covenants by and for itself and any successors in interest, 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 Property, nor shall the Grantee himself, or any person claiming under or through him, 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 Site.

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

(i) In deeds: "The grantee herein covenants by and for and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group or persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee himself, 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.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

(ii) In leases: "The lessee herein covenants by and for himself, his heirs, executors, administrators and assigns, and all persons claiming under or through him, and that 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 or persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government

Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the leasing, subleasing, transferring, use, or enjoyment of the land herein leased nor shall the lessee himself, or any person claiming under or through him, 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 leased.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

(iii) In contracts: "There shall be no discrimination against or segregation of, any person or group or persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee himself or any person claiming under or through him, 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.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

4. No violation or breach of the covenants, conditions, restrictions, provisions 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 permitted by the Agreement; provided, however, that any successor of Grantee to the Property shall be bound by such remaining covenants, conditions, restrictions, limitations and provisions, whether such successor's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale or otherwise.

5. The covenants contained in Section 2 of this Grant Deed shall remain in effect until the expiration or termination of the Redevelopment Plan. The covenants contained in Section 3 of this Grant Deed shall remain in perpetuity.

6. The covenants contained in this Grant Deed shall be binding for the benefit of the Grantor and its successors and assigns, and such covenants shall run in favor of the Grantor for the entire period during which such covenants shall be in force and effect, without regard to whether the Grantor is or remains an owner of any land or interest therein to which such covenants relate. The Grantor, in the event of any breach of any such covenants, shall have the right to exercise all of the rights and remedies, and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach. The covenants contained in this Grant Deed shall be for the benefit of and shall be enforceable only by the Grantor and its successors.

IN WITNESS WHEREOF, the Grantor and Grantee have caused this instrument to be executed on their behalf by their respective officers thereunto duly authorized, this _____ day of ___________, 2008.

"GRANTOR"

COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF COMPTON

By: ____
EXECUTIVE SECRETARY

ATTEST:

____
CITY CLERK

The provisions of this Grant Deed are hereby approved and accepted.

"GRANTEE"

ADVANCED REAL ESTATE SERVICES, INC.

By: ____
Print Name: ____________________________________
Title: ____

By: ____
Print Name: ____________________________________
Title: ____

EXHIBIT “A” TO GRANT DEED

[To Be Inserted]

EXHIBIT "F"

FORM OF CERTIFICATE OF COMPLETION

Recording Requested by and
When Recorded Return to:

____
____
____

CERTIFICATE OF COMPLETION

This Certificate of Completion is dated as of _________, 2008.

The COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, a public body, corporate and politic (the "Agency"), and ADVANCED REAL ESTATE SERVICES, INC (the "**Redeveloper**"), entered into a Disposition and Development Agreement dated as of __________, 2008 (the "Agreement"), which provides in Section ________ thereof that the Agency shall furnish the **Redeveloper** with a Certificate of Completion upon satisfactory completion of the Improvements (as described in the Agreement) on the land described therein as the "Site," in accordance with the Agreement, which certificate shall be in such form as to permit it to be recorded in the Recorder's Office of Los Angeles County. The Agreement is incorporated by reference into that certain Grant Deed executed by Agency to **Redeveloper** dated _____, 2008 and recorded on __________, 2008 in the Official Records of Los Angeles County, California as Document Number __________.

The Agency has determined that the construction of the Improvements has been satisfactorily performed under the Agreement; however, this Certificate shall not constitute evidence of compliance with, or satisfaction of: (i) any obligation of the **Redeveloper** to any holder of a lien securing money loaned to finance the Improvements or any part thereof, or (ii) any applicable laws or permits; or (iii) any obligations of **Redeveloper** under the Agreement other than construction of the Improvements.

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON

By: ______________________________
Name: ____________________________
Title: _____________________________

ATTEST:

____
Clerk

EXHIBIT "G"

FORM OF RIGHT OF ENTRY AGREEMENT

THIS RIGHT OF ENTRY AGREEMENT ("Agreement") is made and entered into as of __________________, 2008 by and between the **COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON**, a public body, corporate and politic (the "CRA"), and **ADVANCED REAL ESTATE SERVICES, INC.**, a California corporation (the "**Redeveloper**"), with respect to the following:

R E C I T A L S

A. The CRA and the **Redeveloper** have entered into a Disposition and Development Agreement, dated as of _____________, 2008, for the negotiation of a disposition and development agreement with respect to certain real property in the City of Compton known as Assessor Parcel Nos.__________(the "Property").

B. The **Redeveloper** desires to perform certain predevelopment work consisting of certain tests, studies, and analyses necessary to evaluate the condition of the Property (the "Predevelopment Work") as well as development work consisting of site demolition and grading **[DISCUSS]** (the "Development Work").

C. The CRA wishes to accommodate the **Redeveloper**'s desire to commence the Predevelopment Work and Development Work on the Property by granting a right of entry to **Redeveloper** upon certain terms and conditions.

NOW, THEREFORE, for good and valuable consideration, **Redeveloper** and CRA do hereby agree as follows:

1. Right of Entry. Provided that all of the terms and conditions of this Agreement are fully satisfied, the CRA hereby grants to **Redeveloper** and its employees, agents and contractors the nonexclusive right to enter upon the Property to perform the Predevelopment Work and Development Work, and for no other purposes without the prior written approval of the CRA's Executive Secretary or his designee. It is expressly understood that this Agreement does not in any way whatsoever grant or convey any rights of possession, easement or other interest in the Property to the **Redeveloper**, and does not vest any entitlements or give the Redeveloper any right to acquire or develop the Property.

2. Agreement. By execution of this Agreement, **Redeveloper** agrees for itself and on the behalf of its employees, agents, consultants and contractors as follows:

(a) That **Redeveloper** will give the Agency reasonable advance notice (at least two (2) days).

(b) That **Redeveloper** will not permit any dangerous condition to be created on the Property.

(c) That all acts and things done by **Redeveloper** on the Property will be done in a careful and reasonable manner, in accordance with all federal, state and local laws.

(d) That **Redeveloper** enters the Property entirely at its own cost, risk and expense.

(e) That **Redeveloper** shall not permit any mechanics', materialmen's or other liens of any kind or nature ("Liens") to be filed or enforced against the Property in connection with the Predevelopment Work or Development Work. **Redeveloper** shall indemnify, defend and hold harmless CRA from all liability for any and all liens, claims and demands, together with costs of defense and reasonable attorneys' fees, arising from any Liens. CRA reserves the right, at its sole cost and expense, at any time and from time to time, to post and maintain on the Property, or any portion thereof, or on the improvements on the Property, any notices of non-responsibility or other notice as may be desirable to protect CRA against liability. In addition to, and not as a limitation of CRA's other rights and remedies under this Agreement, should the **Redeveloper** fail, within ten (10) days of written request from CRA, either to discharge any Lien or to bond for any Lien, or to defend, indemnify, and hold harmless CRA from and against any loss, damage, injury, liability or claim arising out of a Lien, then CRA, at its option, may elect to pay such Lien, or settle or discharge such Lien and any action or judgment related thereto and all costs, expenses and attorneys' fees incurred in doing so shall be paid to CRA by the **Redeveloper** upon written demand.

(f) That **Redeveloper** shall not have any interest in the Property or be entitled to any reimbursement or repayment for any work performed upon the Property pursuant to this Agreement. **Redeveloper** shall, at the written request of the CRA, leave the Property in a condition that does not create an unreasonable risk of harm to the public.

(g) The **Redeveloper** shall take all necessary precautions to prevent the import and/or release into the environment of any hazardous materials which are imported to, in, on or under the Property during the performance of the Predevelopment Work. If hazardous materials are imported onto the Property as a result of the performance of the Predevelopment Work, the **Redeveloper** shall be solely responsible for removing such imported hazardous materials in conformance with all Governmental Requirements. The **Redeveloper** shall report to the CRA, as soon as possible after each incident, any unusual or potentially important incidents with respect to the environmental condition of the Property.

3. **Insurance.** Redeveloper shall, and shall cause all of its contractors performing our due diligence activities to, procure or maintain a policy of commercial general liability insurance issued by an insurer reasonably satisfactory to the CRA covering each of the Due Diligence Activities with a single limit of liability (per occurrence and aggregate) of not less than $1,000,000.00, and to deliver to the CRA a certificate of insurance evidencing that such insurance is in force and effect, and evidencing that the CRA has been named as an additional insured thereunder with respect to the due diligence activities. Such insurance shall be maintained in force throughout the term of this Agreement.

4. **Indemnity. Redeveloper** hereby agrees to defend, indemnify and hold the CRA and its officers, officials, members, employees, agents and representatives, harmless from and against any and all loss, damage, injury, liability, claim, cost or expense (including, without limitation, reasonable attorneys' fees, expert witness fees, court costs, and expenses) arising from or attributable to the activities of **Redeveloper** or any of its employees, agents, consultants or contractors upon the Property pursuant to this Agreement. All use of and entry upon the Property shall be at the sole cost, risk and expense of the **Redeveloper**.

5. **Miscellaneous.**

(a) **Choice of Law.** This Agreement is to be governed by, and construed in accordance with, the laws of the State of California.

(b) **Remedies.** Either party shall, in addition to all other rights provided herein or as may be provided by law, be entitled to the remedies of specific performance and injunction to enforce its rights hereunder, except to the extent expressly provided to the contrary in this Agreement. All rights and remedies under this Agreement are cumulative and no one of them shall be exclusive of any other, and each party shall have the right to pursue any one or all of such rights and remedies or any other remedy which may be provided by law, whether or not stated in this Agreement, except to the extent expressly provided to the contrary in this Agreement.

(c) **Counterparts.** This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

(d) **Non-Liability of Public Officials.** No officer, employee, member, agent or representative of the CRA shall be personally liable to **Redeveloper**, or any successor in interest, in the event of any default or breach by the CRA, or for any amount which may become due to **Redeveloper** or its successor, or for any breach of any obligation of the terms of this Agreement.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the date first set forth above.

CRA:

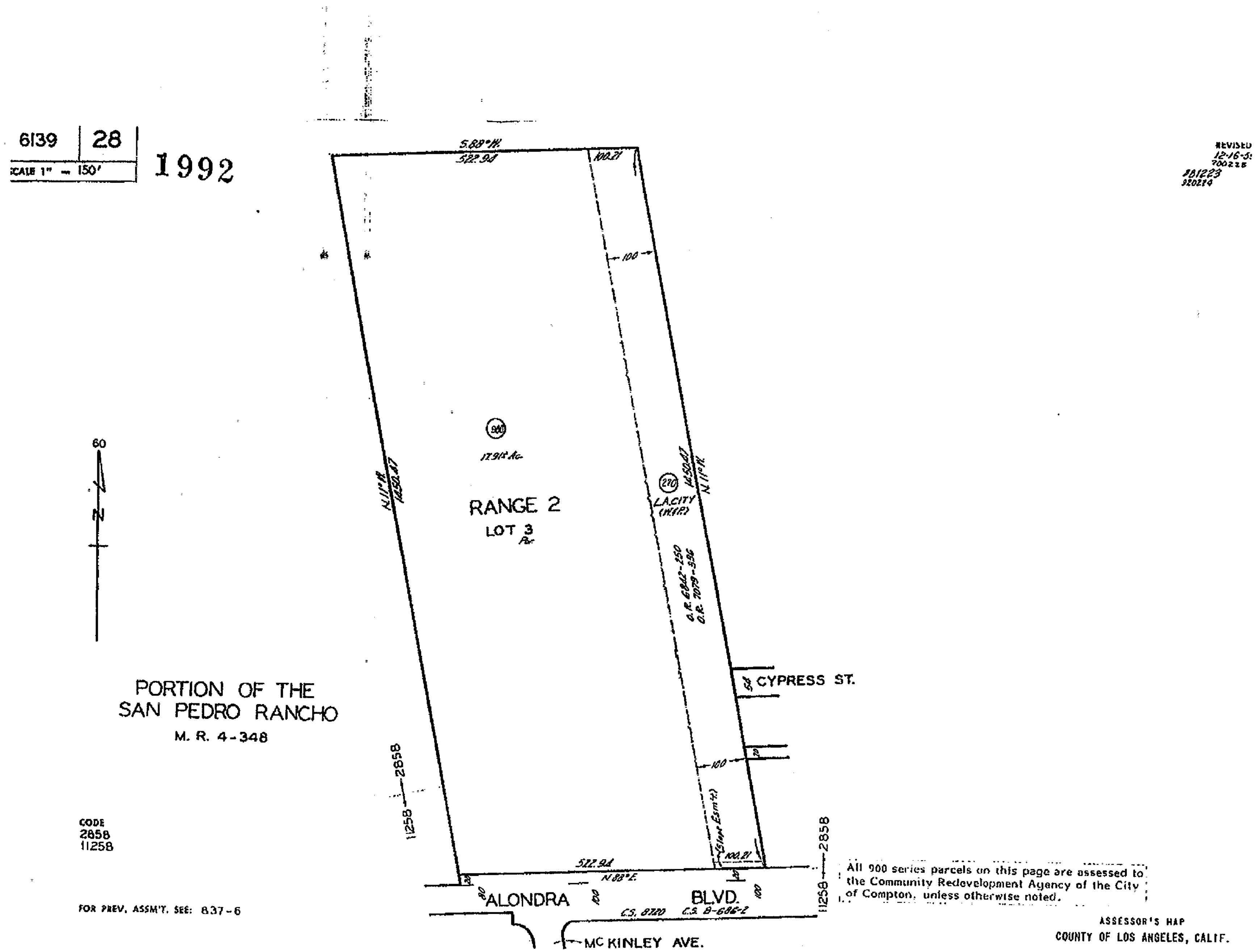
COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, a public body, corporate and politic

By: ______________________________
Print Name: ______________________________
Title: ______________________________

REDEVELOPER:

ADVANCED REAL ESTATE SERVICES, INC., a California corporation

By: ______________________________
Print Name: ______________________________
Title:



All 900 series parcels on this page are assessed to the Community Redevelopment Agency of the City of Compton, unless otherwise noted.

ASSESSOR'S MAP
COUNTY OF LOS ANGELES, CALIF.

July 15, 2008

TO: CHAIRMAN AND COMMISSIONERS

FROM: EXECUTIVE SECRETARY

SUBJECT: REQUEST TO RENT AGENCY-OWNED PROPERTY LOCATED AT 958 W. WALNUT STREET

SUMMARY

Requesting authorization to rent certain Agency owned property located at 958 West Walnut Street to Wolfgang Rader operate a professional dog training center on a temporary basis.

BACKGROUND

On April 28, 2008, the Agency received a Letter of Interest from Mr. Wolfgang Rader to rent an Agency owned property located at 958 West Walnut Street. The vacant lot comprising of 16,510 sq. ft. is located on the Westside of Fire Station #4 (950 W. Walnut Street). Mr. Rader proposes to rent the property from the Agency on a month to month basis at a monthly rent of $1,000.00, commencing August 1, 2008. The terms of the agreement would provide the Agency with the option to terminate the tenant's use of the site when deemed necessary to undertake a preferred development option on the site.

The Center to be operated under the business name of German K-9 Expert, Inc., will offer professional dog training services under the proprietorship of Wolfgang Rader. Services to be offered the facility would include behavior training courses for dogs in search and rescue courses including, narcotics, and explosives as well as personal protection. Training services for law enforcement K-9 handlers. Additionally, the Center will be used as a tool to educate the citizens of Compton and help them become responsible dog owners. The company will house ten (10) dog kennels on the property, including approximately ten (10) parking spaces.

According to Mr. Rader's resume, he was taught to train dogs in 1978, and he has continued to work in this field. (See attached Resume). Mr. Rader is aware that all costs associated with the professional dog training center, including insurance, licenses and security are to be borne by the company. Mr. Rader is also aware that they must contact the Sheriff's Department to make sure that any security plans for the subject site, Risk Management for the requisite insurance, Building Department for any permits, Tax & Licenses for all licenses and permit fees, and Fire Department for any emergency medical assistance.

FISCAL IMPACT

As compensation for use of the subject property, Wolfgang Rader must remit $1,000.00 each month to the Agency to cover rental costs on a month to month basis.

STATEMENT OF THE ISSUE

In order for the German K-9 Expert, Inc. to rent the property, Commission approval is necessary.

RECOMMENDATION

That the attached resolution authorizing the Executive Secretary to enter into a rental Agreement with Wolfgang Rader be adopted for rent of certain Agency-owned property be adopted.

KOFI SEFA-BOAKYE
DIRECTOR OF REDEVELOPMENT

CHARLES EVANS
EXECUTIVE SECRETARY

CE:KSB:DLD

Attachments

RESOLUTION NO. _________

A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, APPROVING THE RENTAL AGREEMENT BETWEEN THE AGENCY AND WOLFGANG RADER TO RENT CERTAIN AGENCY OWNED PROPERTY

WHEREAS, the Community Redevelopment Agency of the City of Compton (the "Agency") is carrying out the Redevelopment Plan for the Compton Redevelopment Project Area, as merged and amended by Ordinance No. 2,114 adopted by the City Council on November 16, 2004; and

WHEREAS, on April 28, 2008, the Agency received a Letter of Interest from Mr. Wolfgang Rader to rent Agency owned property located at 958 West Walnut Street. The property consists of a 65 foot wide and 254 foot long, vacant lot located on the Westside of Fire Station #4 (950 W. Walnut Street); and

WHEREAS, the site will be utilized as a professional dog training Center, conducted under the name of German K-9 Expert, Inc., which is owned by Mr. Wolfgang Rader; and

WHEREAS, Mr. Rader agrees to rent the property on a month to month basis, commencing August 1, 2008, until the property is acquired for development for a monthly fee of $1,000; and

WHEREAS, the company will house ten (10) dog kennels on the property, and include approximately ten (10) parking spaces. Additionally, the Center will be used as a tool to educate the citizens of Compton and help them become responsible dog owners; and

WHEREAS, the Agency has determined that the proposed Rental Agreement for Mr. Wolfgang Rader would be in the best interest of the City to deter dumping and blight on the subject site; and

NOW, THEREFORE, THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. That the Executive Secretary, is hereby authorized to accept the proposal of Wolfgang Rader to rent Agency-owned property located at 958 West Walnut Street on a month to month basis for a professional dog training center, in the amount of $1,000.00 per month.

Section 2. That the Executive Secretary is hereby authorized to execute the necessary agreements to finalize contract execution.

Section 3. That a certified copy of this resolution shall be filed in the offices of the Executive Secretary, City Attorney, City Controller, Community Redevelopment Agency, and Clerk.

Section 4. That the Chairman shall sign and the Clerk shall attest to the adoption of this resolution.

ADOPTED this _____ day of ___________, 2008.

____
CHAIRMAN OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION

ATTEST:

____
CLERK OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF COMPTON: ss

I, Alita Godwin, Clerk of the Urban Community Development Commission of the City of Compton, hereby certify that the foregoing resolution was adopted by the Commission, signed by the Chairman, and attested by the Clerk at the regular meeting thereof held on the _____ day of __________, 2008.

That said resolution was adopted by the following vote, to wit:

AYES: **COMMISSIONERS -**
NOES: **COMMISSIONERS -**
ABSENT: **COMMISSIONERS -**

____
CLERK OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION

RENTAL AGREEMENT

BETWEEN

THE COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF COMPTON

AND

WOLFGANG RADER
GERMAN K9 EXPERT, INC.

B A S I C   L E A S E   P R O V I S I O N S

A. **PREMISES:** The area outlined on Exhibit A attached hereto. For the purposes of this Agreement, the Premises shall be deemed to consist of a 65 foot wide and 254 feet long, vacant lot located on the Westside of Fire Station #4.

B. **TERM: month to month**, commencing on **August 1, 2008** (commencement date.)

C. **USE OF PREMISES:** The Premises shall be used by the Tenant solely for:

K9 Training Facility

D. **TENANT: WOLFGANG RADER**

E. **TENANT NAME:** Tenant shall operate and do business in the Premises under the trade name:

GERMAN K-9 EXPERT, INC.

F. **TENANT 'S ADDRESS AND TELEPHONE NUMBER FOR NOTICES:**

Wolfgang Rader
GERMAN K-9 EXPERT, INC.
1820 Torrance Boulevard
Torrance, CA 90501
(310) 320-5239

G. **MONTH TO MONTH RENTAL PAYMENT: $1,000.00** (includes the amount set out in **Section 3.** below) in monthly installments**.** All rentals and other payments that become due hereunder shall be payable to LANDLORD and sent to:

Community Redevelopment Agency
City of Compton
205 South Willowbrook Avenue
Compton, CA 90220

H. **RENTAL ADDRESS:**

958 West Walnut Street
Compton, CA 90220

Each reference in this Agreement to any of the data contained in this **Basic Agreement Provisions** document shall be construed to incorporate the information stated under that title.

THIS RENTAL AGREEMENT made and entered into this ____ day of ____________, 2008 by and between **THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON,** hereinafter referred to as **"LANDLORD"**, and **WOLFGANG RADER**, hereinafter referred to as the **" TENANT "**.

WITNESSETH:

Section 1. <u>PREMISES</u>. The **LANDLORD**, for and in consideration of the performance of the covenants and agreements hereinafter contained to be kept and performed by the **TENANT** and upon the following terms and conditions, hereby rents to the **TENANT**, and the **TENANT** hereby hires and takes of and from the **LANDLORD**, those certain Premises situated in the City of Compton, County of Los Angeles, State of California, more particularly described as **958 West Walnut Street, Compton, CA 90220.** The Premises are as outlined on Exhibit A together with:

a. All improvements thereon and appurtenances thereto; and

b. The continuous and uninterrupted right of **TENANT** and licensees, and their respective officers, employees, business invitees, customers and patrons, of access to and from the Premises over and across any part(s) of **LANDLORD'S** adjacent property which is not a part of the Premises for any purpose related to the use and enjoyment of the Premises;

but reserving and excepting to **LANDLORD or LANDLORD'S** authorized Agents free access to the demised Premises at all reasonable times for the purpose of inspection or for making necessary alterations, improvements or major repairs.

Section 2. <u>TERM</u>. The term of this Agreement shall be **on a month to month basis**, commencing **August 1, 2008.**

Section 3. **<u>RENT</u>.** The **TENANT** shall pay to **LANDLORD** as rent for said Premises during the term hereof the sum of **ONE THOUSAND DOLLARS,** payable in monthly installments**.** Rental payments shall be due the first day of each and every month of the term hereof. Any payment not received by the **LANDLORD** by the fifth (5th) day of the month will be deemed late and a **late fee** (penalty) in the amount of **Twenty-Five Dollars ($25.00)** will be charged.

Section 4. **<u>USE</u>.** **TENANT** is entitled to use said Premises for the uses and purposes contemplated for **TENANT'S** operation of a Professional Dog Training Center, which will include ten (10) dog kennels housed on the property, and the Center will be used as a tool to educate the citizens of Compton and help them become responsible dog owners.

Failure to continue the use hereinabove described may result in the termination of this Agreement in the manner described in **Section 13.**

Section 5. **<u>UTILITIES</u>.** **TENANT** agrees to pay for the installation, maintenance and servicing of all electricity, telephone, gas, water, and supplies for use in or upon the demised Premises during the term of this Agreement, or any extension or holdover period thereof.

Section 6. **<u>ASSIGNMENT AND SUBLETTING</u>.** **TENANT** agrees not to sublet the whole or any part of the Premises nor to assign this Agreement without in each case first securing the written consent of the **LANDLORD**, but the **LANDLORD** agrees not to unreasonably withhold consent to any such subletting or assignment. Any attempted assignment or subletting of this Agreement without the written consent of the **LANDLORD** constitutes fraud and shall be null and void.

Section 7. **<u>ALTERATIONS AND ADDITIONS</u>.** **TENANT** agrees not to make any alterations or additions in or on the Premises without first securing the written consent of the **LANDLORD**. **TENANT** further agrees to make such alterations only at such time as is agreeable to the **LANDLORD**. **TENANT** shall construct **TENANT'S** improvements at its sole cost and expense, subject to review of **LANDLORD** of plans and specifications and **LANDLORD'S** consent.

LANDLORD agrees that except for structural alterations, the **TENANT** may remove, during or at the expiration or other termination of the term of this Agreement, or of any extension or holdover period thereof, as the case may be, trade fixtures, including machinery, equipment, furnishings and all other personal property placed or installed in or upon the Premises by the **TENANT** or under its authority. Any personal property, trade fixtures, alterations, improvements, or additions not removed by **TENANT** within thirty (30) days after the end of the Term shall automatically become the property of **LANDLORD.**

TENANT shall repair any damage to the Premises caused by **TENANT'S** removal of its personal property, trade fixtures, alterations, improvements, or additions.

Section 8. **REPAIRS AND MAINTENANCE.** **TENANT** agrees to repair and maintain at its own expense the grounds of the Premises, as is reasonable within the terms of this Agreement, and to return said Premises to **LANDLORD** in as good order, repair and condition as the same were in at the commencement of the Term, damage by fire and items covered by extended coverage insurance, unavoidable casualty, reasonable wear and tear, and **LANDLORD'S** failure to repair excepted. Any equipment, facilities or fixtures shall, at **TENANT'S** sole expense, be kept, repaired, maintained, replaced or added to, at all times by **TENANT** in good order and in sanitary and safe condition and repair and in accordance with all governmental requirements and insurance requirements. In the event that any of the items required to be maintained and repaired by the **TENANT** under the provisions of **Section 11.** herein are protected by warranties or guarantees, the **LANDLORD** shall be entitled to the full benefit of such protection as if it were the original purchaser thereof.

LANDLORD shall maintain and promptly make all exterior repairs (including landscaping and common area maintenance) and replacements of a permanent character.

Section 9. **INSURANCE.** As a part of the execution of this Agreement, the **TENANT** shall furnish certificates substantiating the fact that it has taken out the specified insurance for the period covered by this Agreement with an insurance carrier acceptable to the **LANDLORD** under forms satisfactory to the **LANDLORD**. Each certificate shall bear an endorsement precluding the cancellation or reduction in coverage of any policy covered by such certificate before the expiration of ten (10) days after the **LANDLORD** shall have received notification of such cancellation or reduction by registered mail. Each certificate shall bear an endorsement naming the Community Redevelopment Agency of the City of Compton and its employees as additional insureds.

The **TENANT** shall present the insurance binder to the **LANDLORD** within three (3) calendar days after the acceptance of this Agreement. The **TENANT** shall not occupy the Premises until the **LANDLORD** has received and approved the required certification for the following policies:

(a) Workman's Compensation Insurance to cover employees of the TENANT as required by Labor Code of the State of California.

(b) Public Liability and Property Damage to protect against liability for damages on account of bodily injuries, including death resulting therefrom, in the sum of not less than **ONE MILLION DOLLARS ($1,000,000.00)** for one or more persons and for property damage resulting from any one accident which may arise from the operation of the **TENANT**.

Section 10. **DAMAGE OR DESTRUCTION.** **LANDLORD** agrees that should the demised Premises be so badly damaged by fire, incidents of war, earthquake, or other violent action of the elements as to render them wholly unfit for **TENANT'S** occupancy, then this Agreement shall be terminated immediately upon the happening of any such event whereupon **TENANT** shall surrender the Premises and shall not be liable for any further rental and **LANDLORD** shall return any unearned rent paid in advance by **TENANT** calculated at a daily rate based on the regular yearly rental.

In the event of any lesser damage by any such cause, **LANDLORD** may restore the Premises to the condition it was in immediately prior to the event causing the damage, and the rental shall abate in proportion to the area not used by **TENANT** during the period of restoration. If **LANDLORD** should fail to pursue said restoration work with reasonable diligence to completion, **TENANT** at its sole option may surrender the Premises and shall not be liable for any further rental under this Agreement.

The **LANDLORD** shall not be in any way or to any extent liable for any loss or damage to any property at any time or within said rented Premises, whether occasioned by fire, water, or gas which may come or be therein or from any other cause whatsoever.

Section 11. **CONDEMNATION.** Should the tenant be required to vacate the Premises, it will not be eligible for relocation payments or other assistance under the Uniform Relocation Assistance Act or HUD regulation. The **TENANT** waives any and all rights to relocation benefits as specified in the Uniform Relocation Assistance Act of 1970 by its signature here:

By________________________________

Section 12. **DEFAULT.** **TENANT** agrees that if default shall be made in the payment of rent in the manner herein provided or in any of the covenants or agreements herein contained on the part of the **TENANT** to be kept and performed, it shall be lawful for the **LANDLORD** to declare said term ended and to terminate this Agreement upon the giving of thirty (30) days written notice. In addition thereto, **LANDLORD** shall have such other rights or remedies as may be provided for by law.

Section 13. CANCELLATION PROVISION. TENANT and **LANDLORD** shall each, alone, have the right to cancel this Agreement before its scheduled termination date provided that the canceling party has provided a thirty (30) day written notice to the other party.

Section 14. LANDLORD'S ACCESS. TENANT agrees to permit the **LANDLORD** or **LANDLORD'S** authorized agents free access to the Premises at all reasonable times for the purpose of inspection, showing prospective purchasers or lenders and making such alterations, improvements, additions or repairs to the Premises as necessary.

Section 15. DISCRIMINATION. The **TENANT** herein covenants by and for itself, its heirs, executors, administrators, and assigns, and all persons claiming under or through him, that this Agreement is made and accepted upon the 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 Agreement nor shall the **TENANT** 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.

Section 16. NOTICES. Notices desired or required to be given by this Agreement or by any law now or hereinafter in effect may be given by enclosing the same in a sealed envelope addressed to the party for whom intended and by depositing such envelope, with postage prepaid, in the United States Post Office or any substation thereof, or any public letter box, and any such notice and the envelope containing the same shall be addressed to the **LANDLORD** at:

Community Redevelopment Agency
City of Compton
205 South Willowbrook Avenue
Compton, CA 90220
Attention: Director of Redevelopment

and envelopes containing the same to the **TENANT** shall be addressed to the **TENANT** at:

Wolfgang Rader
GERMAN K-9 EXPERT, INC.
1820 Torrance Boulevard
Torrance, CA 90501
(310) 320-5239

Section 18. **BINDING EFFECT.** Each and all of the terms and agreements herein contained shall be binding upon and shall inure to the benefit of the successors in interest of the **LANDLORD**.

\\
\\
\\\
\\
\\\
\\\
\\\
\\\
\\
\\\

IN WITNESS WHEREOF, the **TENANT** has executed this Agreement, caused it to be duly executed, and **LANDLORD** by order to the Urban Community Development Commission has caused this Agreement to be executed on its behalf by its Executive Secretary.

Date ______________________

____
WOLFGANG RADER

Date ______________________

____
CHARLES EVANS
EXECUTIVE SECRETARY

Approved As To Form:

Date ______________________

____
LEGRAND H. CLEGG
CITY ATTORNEY

Date ______________________

____
ALITA GODWIN
CITY CLERK

April 28, 2008

Mr. Kofi Sefa-Boakye, Director
Community Redevelopment Agency
City of Compton
205 South Willowbrook Avenue
Compton, CA 90220

Dear Sir:

Subject: Letter of Interest

INITIAL CONTACT

Please consider this Letter of Interest as my initial interaction with the Community Redevelopment Agency for basic concept approval.

DEVELOPMENT INTEREST

This is a proposal to lease and/or rent the vacant lot located on the Westside of Fire Station #4, 950 W. Walnut Street, Compton, California, for approximately $800.00 per month, with the first two month rent in exchange for the preparation of the landscaping.

SCOPE OF DEVELOPMENT

The property is a vacant lot and the size is 65 feet wide and 254 feet long; there will be approximately ten (10) parking spaces. There will be ten (10) dog kennels measuring 5' x5'.

The developer plans to landscape the property by planting grass and shrubbery so that the site would have a park-like setting for curb appeal and beautification of the city.

The general purpose of this site will be the development of a professional dog training center. The center will educate the citizens of Compton and help them become responsible dog owners. The services will provide obedience and personal protection training, and provide services for local law enforcement K-9 handlers.

LOCATION / SITE PLANS

The identification number for this site is 7319-028-904 per the County of Los Angeles, Office of the Assessor, South District, 1401 East Willow Street, Signal Hill, CA 90755-3543.

Please contact me, at your earliest convenience, regarding this matter.

Sincerely,

Wolfgang Reder
German K9 Expert, Inc.
1820 Torrance Blvd., Space 21
Torrance, CA 90501
(310) 469-1137

Wolfgang Rader
German K9 Expert, Inc.

1820 Torrance Blvd
Torrance, CA 90501
Cell: 310.469.1137
Office: 310.320.5239
Wolfgang@Germank-9.com
www.Germank-9expert.com

RESUME

In 1978 I joined a German Shepherd Schutzhund Club, Verein fuer Deutsche Schaeferhund Rems-Wieslauf starting as a helper with an old fashion dog trainer who taught me to interpret the dogs' behavior before I would start working with the dogs.

This meant I had to understand what situation the dog is in, the temperament of the dog, the mood of the dog, to learn how much courage the dog has, how much confidence the dog has and to find the correct way to push the dog to its limits.

Stress is always present – the dog has to be taught how to handle stress.

Very soon I discovered my talents in this area. Sensitivity, emotions and confidence all play a very important role. The dogs push you to get your fear under control.

At this time period all the dogs were only worked in defense and not so much in play drive.

Many times I have been bitten by dogs who have taken their job very seriously. In this way I learned that when I have been bitten by the dog and ignore my pain, show the dog no reaction, I frustrate the dog more and obtain better results than if I show the dog my pain and fight back. In this way I build more aggression in the dog.

In the other way, when I have a dog who has no confidence, no courage and no aggression, when I bring this dog to bite me and I show him my pain and fear and my insecurity, this makes this type of dog stronger and builds his confidence.

Soon other local Schutzhunde clubs with other dog breeds approached me to be the agitator and to build the dogs in protection – it became my specialty. This way I became acquainted with other dog breeds' temperament and how difficult it was to read the temperament in breeds other than German Shepherds.

I have found that in each breed there are excellent dogs but in my experience, when a Doberman goes into defense, he doesn't show you much aggression -- while a Rottweiler when he goes stiff in his body language, licks his nose without opening the mouth, then, he is really dangerously serious.

Then, there is the Malinois– who always works naturally in a high stress level and he is never trustworthy.

The Giant Schnauzer is an airhead and it is very difficult to get them focused.

Boxers are sweet nice family dogs who have limited possibilities for being a protection dog.

It was during this time I learned to change the way to work the dogs in protection. The breeding changes, the environment changes and the dogs have to be more socialized and there would be no more room for aggressive dogs. I work much more in play drive and in building a higher drive and it becomes more fun for the dogs to learn.

It was during this time that Schutzhund goes more to a sport and protection training was not so dangerous any more.

Also, at the time of these changes, it was very important that I know the old way, too.

In the '80's I worked with a lot of Rottweilers and was a member of the ADRK in Germany and had the opportunity to be the agitator at Schutzhund trials. In this way I met Mike Conley, three-time gold medal winner in track and field triple jump.

Mr. Conley owned and bred Rottweilers and asked me to work with him in the United States.

When I worked with Mr. Conley in Arkansas, more and more people came and asked me to work their dogs in protection. This developed into me being invited by Schutzhunde clubs in different states to conduct seminars.

In the 1990's I developed Schutzhund seminars that I gave all over the United States to private parties and police agencies.

My main focus in my seminars is to fix problems. The problems I came across in these seminars enabled me to gain unbelievable experience. The seminars gave me the opportunity to work with many characters and personalities and the opportunity to train dogs for the Bundessiegerprufung and World Championship.

In the middle of the '90's, the German army (Bundeswehr) contracted out with private security companies to work at Germany's high level security bases. Because of my seminars, security companies approached me and asked me to train their security officers to become K-9 handlers. I started with the normal level security at army bases.

It was my responsibility to teach the K-9 handler to be perfect in handling his dog, his weapon and to uphold the Germany Army law. For example, training the handler to make the correct statements to the suspect, training the handler how to hold his weapon so he doesn't accidentally shoot his K-9 and at the same time has his K-9 under control while giving the suspect his rights, and most importantly in nanoseconds being able to correctly assess the situation properly.

Twice a year the army's judges conducted tests of my K-9 security teams. In a very short period of time I attained success with my security K-9 team training. Then, a major security company approached me and contracted me to train K-9 teams at top level Germany security bases.

During this period, the army bases required a greater skill from the K-9 handlers and their dogs. The handler had to be more flexible, more intelligent, and the K-9s had to have a higher level of quality.

My responsibility was to hire and fire K-9 handlers. Also, it was my responsibility to obtain the highest level of security in both the handlers and the K-9s.

The bases were equipped with the latest and the best electronic security systems. Every fence, door and window was connected to the system together with cameras.

I trained security officers who handled electronics, I had my K-9 teams and my responsibility was to bring harmony among the electronics, K-9 teams and army attack teams and to be trained so perfect that they knew what the abilities of each alarm was, for example to know the situation between an animal jumping on a fence and sending only a K-9 team to check it out and when there was a terrorist attack, to activate the German army attack team.

German Army generals came two to four times a year and put before for us the worst case scenario to test our abilities. My army base teams were 95% successful in competitions while other security companies were only 40 to 50% successful. It was because of this success that my security company received special credits from the German army. At this time the company had 8,000 workers and 400 dogs.

My jurisdiction covered Southern Germany and under my supervision were ammunition depots Kirrlach (top security); ammunition depot Breiten Gussbach (top security); NATO Radar Station, Lauda Konigshofen (top security); Special Training Camp, Calw; Material Outside Base, Urbach; Outside Base, Oberberken; Outside Base, Beuren;. At this time I had approximately 100 people and 70 dogs.

After completing my German Army contracts and reaching the top, I decided to live my dream – and moved to Southern California with my son.

In the year 2000, we opened a training facility in Los Angeles County and we trained and titled dogs for German Shepherd breeders. In some years we titled as many as 50 dogs from Schutzhund 1 to Schutzhund 3.

Then, Hollywood came to us wanting personal protection, home protection, and protection against carjacking --not all that different from my experiences in security training at German army bases and that is where my life is today.

German K9 Expert, CA. U.S.A.
Wolfgang Rader

1820 Torrance Blvd
Torrance, CA 90501
Office: 310.684.1407
Cell: 310.469.1137
Wolfgan@germank-9expert.com
www.germank-9expert.com

July 7, 2008

To Whom It May Concern:
City of Compton

Dear Sirs:
My name is Wolfgang Rader, and I am a professional K-9 dog trainer specializing in working dogs.
In the areas of:
Explosives, narcotics, protection, search and rescue, and eliminate bad behaving.
I want to open my business in the City of Compton. 958 Walnut Street. And offer the community behaving and rehabilitations courses for problems dogs
For law enforcement, I want to offer protection, narcotics, explosives, search and rescue courses.
And supply the police with k-9's and services dogs.

My courses teach the community how to take care of the dogs and how to behave them, how to controlled them, and how to socializing them. And teach the owners the care and the responsibility to own a dog.

This gives the public and the city of Compton the opportunity to solve problems in animal behaving.

I would like to offer you, in the future, my expertise in the area of obtaining and training police K-9's team. My expertise and results are documented in the German Army (Bundeswehr). The German Army contracted out with private security companies to work at Germany's high-level security bases. I was approached and hired to train security officers in the German Army to become K-9 handlers and to obtain the highest level of security in both the handlers and the K-9s.
The bases were equipped with the latest and the best electronics security systems and they required the best K-9 teams. German Army generals came multiple times a year and the teams were tested on a "worst case scenario" to test their abilities. My teams were 95% successful in these competitions while other teams were only 40%-50% successful. It was because of my success that the security company I worked for received special credits from the German Army. At this time the company had 8,000 workers and 400 dogs.

My jurisdiction covered Southern Germany and under my supervision were ammunition depots Kirrlach (top security):
Ammunition depot Breiten Gussbach (top security);
Special Training Camp, Calw top security; Material outside Base, Urback; Outside Base, Oberberken; Outside Base, Beuren. At this time I had approximately 100 people and 70 dogs.

It will be my pleasure to serve and help the community and the law enforcement with my expertise, and looking forward to make long term business in the City of Compton.

Sincerely
Wolfgang Rader
Wolfgang Rader

Carlos Bautista Jr.
11834 Grayling Avenue
Whittier, California 90604
June 5, 2008

To Whom It May Concern:

It is with great pleasure that I recommend Wolfgang Radar. I am currently a Police Canine Handler for the Garden Grove Police Department. I have known Wolfgang for a little over two years.

Wolfgang has always displayed a high degree of integrity, responsibility, and great knowledge in police, military and family protection dogs. He has volunteered many hours of his own personal time in attending my weekly K-9 trainings involving other Orange County police agencies. During those trainings, Wolfgang has taught us how to maintain the proper drive in police dogs as well as how to build the desire drive needed in our police dogs. He has also taken the time to instruct our agitators/decoys how to properly engage our police dogs as to not injure them as well as to bring out the best in our police dogs.

I have recently started my own dog obedience training on my free time. Wolfgang has been a great help to me in advising me on how to set up my training program. He has also been a great resource to help me, help my clients overcome behavioral issues with their dogs that I may still be to new at solving.

His good judgment and mature outlook ensure a logical and practical approach to his endeavors.

Wolfgang would be an asset to your city, and I am happy to give him my wholehearted endorsement.

Sincerely,

Carlos Bautista Jr.

Derek Link
3248 Baffin Dr.
Riverside, Ca 92503
June 28, 2008

To Whom It May Concern:

I am writing this letter proudly recommending Wolfgang Rader. I am currently a Canine Handler for the Fountain Valley Police Department. I have known Wolfgang for over two years.

I can not explain how grateful I am for Wolfgang. He has a remarkable knowledge and experience with canines. He has taught me so much. He has done nothing but positive things for our Canine Unit. Wolfgang has volunteered several hours of his personal time, to work and train with my training group. Our training group consists of 5-8 police dogs, involving 4-5 different Orange County cities. Wolfgang has shown me and several others the proper way to train and understand our four legged partners. I know for a fact my partner, K-9 "Renzo", has become one of the most respected police dogs in Orange County. This would not be possible if it wasn't for Wolfgang.

It is a privilege to recommend Wolfgang and he would be a great asset to your city.

Sincerely,

Derek Link

July 7, 2008

To Whom It May Concern:
City of Compton

My name is Henry S. Paredes, and I am writing this letter with the intend to help Mr. Wolfgang Rader in his desire to train dogs in city of Compton property.
My understanding as per our conversation dated July 7, 2008. 10:00am. The City of Compton is asking a price of $1,000. (One Thousand) per month, on a month to month lease.

I have no problem in supporting Mr. Rader with money issues that the City might required. I am and writing to (financially) back up Mr. Rader interest in the property belonging to City of Compton.
My experienced as General Manager of a very large company gives me the insight of responsibility in money matters. Paying bills on time, expenses and overhead. (Accounts Payable)

If I can be of any further assistance, please feel free to contact me at 310.328.6381

Respectfully
Henry S. Paredes

JAMES H. STOCKTON & CO.

1875 CENTURY PARK EAST, SUITE 600 • CENTURY CITY, CALIFORNIA 90067 (310) 407-5311

July 7th, 2008

To Whom It May Concern:

Please be advised that HENRY S. PAREDES has been employed by JAMES H. STOCKTON & CO. for fifteen years, as our General Manager.

Mr. Paredes is a competent, and most conscientious, employee.

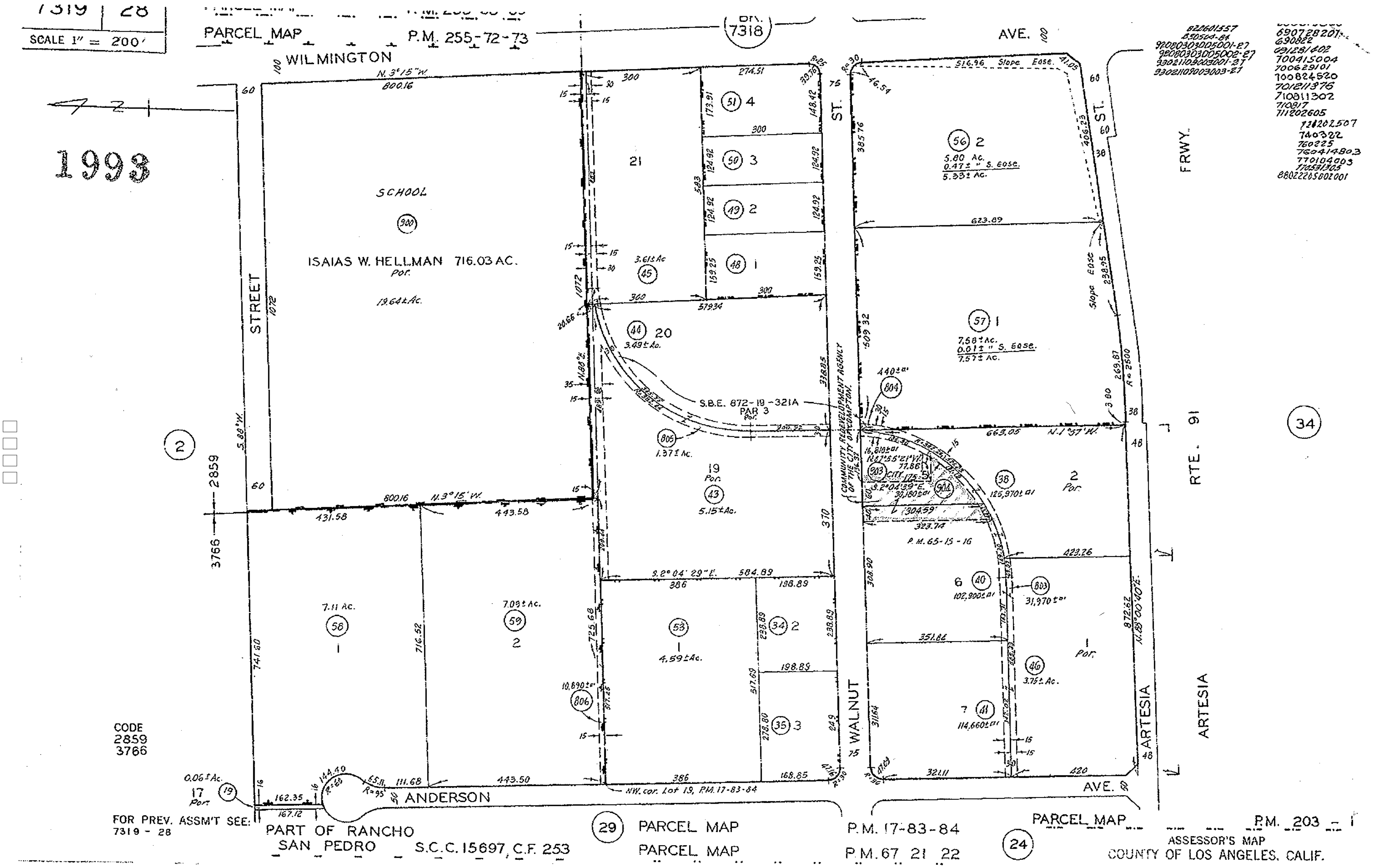
His annual salary is approximately $65,000.00, plus bonuses.

Sincerely,

D. V. Stockton

D. V. STOCKTON

DVS:g



7319 | 28
SCALE 1" = 200'
1993
PARCEL MAP P.M. 255-72-73
WILMINGTON AVE.
STREET
SCHOOL
ISAIAS W. HELLMAN 716.03 AC.
Por.
19.64± Ac.
S.B.E. 872-19-321A
PAR 3
COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON
P.M. 65-15-16
WALNUT ST.
ARTESIA AVE.
RTE. 91
FRWY.
ARTESIA
ANDERSON AVE.
CODE
2859
3766
FOR PREV. ASSM'T SEE:
7319 - 28
PART OF RANCHO SAN PEDRO S.C.C. 15697, C.F. 253
PARCEL MAP P.M. 17-83-84
PARCEL MAP P.M. 67 21 22
PARCEL MAP P.M. 203 - 1
ASSESSOR'S MAP
COUNTY OF LOS ANGELES, CALIF.

July 15, 2008

TO: CHAIRMAN AND COMMISSIONERS

FROM: EXECUTIVE SECRETARY

SUBJECT: AUTHORIZING A PURCHASE AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND THOMAS HWANG, FOR THE ACQUISITION OF CERTAIN REAL PROPERTY LOCATED IN THE COMPTON REDEVELOPMENT PROJECT AREA

SUMMARY

Requesting Commission approval of a Purchase Agreement ("Agreement") between the Community Redevelopment Agency ("Agency") and Thomas Hwang, ("Redeveloper") for the purchase and development of certain real property located in the Compton Redevelopment Project Area.

BACKGROUND

Over the past several months, the Agency has been negotiating with Thomas Hwang (Redevelopers) for acquisition of certain real property (approx.15,932sq. ft.) located at the southwest corner of Rosecrans Avenue and Bradfield Avenue (see attached). The Agency's action represents the first phase of a strategy to assemble approximately two acres of scattered parcels in the subject area to facilitate a proposed 40 unit for sale town homes at the site(see attachment).

STATEMENT OF THE ISSUE

The Agency has worked out the terms of the acquisition of the subject property culminating in a Purchase Agreement (see attachment). Under the terms of the Agreement, the Agency would purchase the subject site for $637,280. The purchase price is conditioned upon the Agency's approval of the physical condition of the site including the absence of environmental contamination. The deadline for closing escrow and the sales transaction for site acquisition is 45 days following execution of the Purchase Agreement.

ECONOMIC BENEFITS

The acquisition of the site provides would provide an opportunity for the Agency to implement a preferred development that would alleviate conditions of blight which threaten the physical, social and economic health of the subject area.

FISCAL IMPACT

Funds for purchase of the site are available in the Agency's 2007/2008 Fiscal Year Budget, Account number 1300-000-000-3900.

<u>RECOMMENDATION</u>

That the Commission adopt the attached resolution authorizing execution of a Purchase Agreement with Thomas Hwang, for the purchase of the subject property.

KOFI SEFA-BOAKYE
DIRECTOR OF REDEVELOPMENT

CHARLES EVANS
EXECUTIVE SECRETARY

Attachments

RESOLUTION NO. __________

A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING A PURCHASE AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND THOMAS HWANG, FOR ACQUISITION OF CERTAIN PROPERTY LOCATED IN THE COMPTON REDEVELOPMENT PROJECT AREA

WHEREAS, the Community Redevelopment Agency of the City of Compton (the "Agency") is carrying out the Redevelopment Plan for the Compton Redevelopment Project Area, as merged and amended by Ordinance No. 2,114 adopted by the City Council on November 16, 2004; and

WHEREAS, pursuant to a minute motion, the Commission authorized the Agency to enter into negotiations with Thomas Hwang, ("Redeveloper")

WHEREAS, the Agency and the Redeveloper have consummated negotiations culminating into a Purchase Agreement for acquisition of certain property located at the southwest corner of Rosecrans Avenue and Bradfield Avenue in Compton; and

WHEREAS, the purchase price for the site, as determined by Laurain & Associates is $637,280; and

WHEREAS, in accordance with the Community Redevelopment Law, Health and Safety Code Section 33433, Agency tax increment funds shall be utilized for acquisition of parcels for development in the furtherance of economic revitalization of the project area; and

WHEREAS, the purchase of the subject property is conditioned upon Agency's approval of the physical conditions of the site including absence of environmental contaminations of the site, and that the deadline for closing escrow and the sales transaction for site acquisition is 45 days following execution of the Purchase Agreement.

NOW, THEREFORE, THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. That the Urban Community Development Commission hereby approves the terms and conditions of the Purchase Agreement between the Community Redevelopment Agency and Thomas Hwang for the purchase of certain property located on the southwest corner of Rosecrans Avenue and Bradfield Avenue in Compton .

Section 2. That the Commission hereby finds that the purchase of such property pursuant to the proposed Purchase Agreement (i) will assist in the developing a Specific Plan for the elimination of blight on the southwest corner of Rosecrans Avenue and Bradfield Avenue; and (ii) is consistent with the Redevelopment Plan and Implementation Plan for the Compton Redevelopment Project Area (the "Project Area") adopted pursuant to Health and Safety Code Section 33490.

Section 3. That Funds for the purchase of the subject parcel are available in the Agency's 2007/2008 Fiscal Year Budget, Account number 1300-000-000-3900.

Section 4. That the Executive Secretary is hereby authorized and directed to execute any necessary documents upon the advice of the City Attorney.

Section 5. That a certified copy of this resolution shall be filed in the offices of the Executive Secretary, City Attorney, City Controller, Community Redevelopment Agency, and City Clerk.

Section 6. That the Chairman shall sign and the City Clerk shall attest to the adoption of this resolution.

ADOPTED this _____ day of ___________, 2008.

____
CHAIRMAN OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION

ATTEST:

____
CLERK OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION

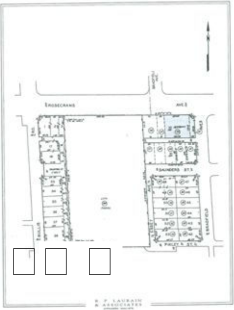
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF COMPTON: ss

I, Alita Godwin, City Clerk of the Urban Community Development Commission of the City of Compton, hereby certify that the foregoing resolution was adopted by the Commission, signed by the Chairman, and attested by the City Clerk at the regular meeting thereof held on the _____ day of __________, 2008.

That said resolution was adopted by the following vote, to wit:

AYES: **COMMISSIONERS -**
NOES: **COMMISSIONERS -**
ABSENT: **COMMISSIONERS -**
ABSTAIN: **COMMISSIONERS -**

____
CLERK OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION


ROSECRANS
AVE
SAUNDERS ST
PIXLEY ST
BRADFIELD
R. P. LAURAIN
& ASSOCIATES