

MEETING DATE: **12.13.10**

AGENDA ITEM: **Approval Exclusive Negotiation Agreement and License Agreement Between the Culver City Redevelopment Agency and Los Angeles Housing Partnership**

ATTACHMENTS

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**EXCLUSIVE NEGOTIATION AGREEMENT
BY AND BETWEEN
THE CULVER CITY REDEVELOPMENT AGENCY
AND
LOS ANGELES HOUSING PARTNERSHIP
(11042-11056 West Washington Boulevard)**

THIS EXCLUSIVE NEGOTIATION AGREEMENT ("Agreement") is made and entered into this ____ day of December, 2010 ("Effective Date"), by and between the CULVER CITY REDEVELOPMENT AGENCY, a public body, corporate and politic ("Agency") and LOS ANGELES HOUSING PARTNERSHIP, INC., a California non-profit public benefit corporation ("Developer"), individually referred to herein as the "Party" and collectively referred to herein as the "Parties", with reference to the following:

RECITALS

WHEREAS, the Agency and the Developer desire to enter into negotiations concerning the development of certain land (defined below as the "Site") in furtherance of the goals and objectives of the Redevelopment Plan ("Redevelopment Plan") for the Culver City Redevelopment Project Area ("Project Area"), as adopted and amended by ordinances of the City Council of the City of Culver City ("City") and incorporated herein by this reference, and the Community Redevelopment Law of the State of California ("Community Redevelopment Law", set forth at California Health and Safety Code §§33000, *et seq.*); and

WHEREAS, the Developer is in escrow to purchase the property located at 11042-11052 West Washington Boulevard (the "Lloyd Property") and the Agency holds fee title to the property located at 11054-11056 West Washington Boulevard (the "Agency Property", collectively with the Lloyd Property referred to herein as the "Site").

WHEREAS, the Developer submitted to the Agency a development proposal dated May 10, 2010 for acquisition and development of the Site as thirty-three (33) units of affordable rental housing for very low and low income households, approximately 13,000 square feet of ground floor retail, office, and community space and two levels of on-site parking (with one level on grade and one level of subterranean) with 111 spaces; and

WHEREAS, the Parties recognize and acknowledge the purpose of this Agreement is to seek to negotiate the terms of a Disposition and Development Agreement ("DDA") which will accomplish the objectives described in this Agreement.

NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED HEREIN, AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED BY EACH OF THE PARTIES HERETO, THE PARTIES HERETO AGREE AS FOLLOWS:

Section 1. RECITALS

The Recitals set forth above are hereby incorporated into this Agreement by this reference, as though fully set forth herein.

Section 2. THE SITE

The Site is composed of the Lloyd Property located at 11042-11052 West Washington Boulevard in the City of Culver City, legally described in the Legal Description attached hereto as Exhibit “A” and incorporated herein by this reference, and the Agency Property located at 11054-11056 West Washington Boulevard in the City of Culver City, legally described in the Legal Description attached hereto as Exhibit “B” and incorporated herein by this reference. The Site is located within the Project Area and is depicted on the Site Map attached hereto as Exhibit “C” and incorporated herein by this reference.

Section 3. PURPOSE OF AGREEMENT

A The purpose of this Agreement is to provide for the negotiation by the Parties of a DDA, which shall take into consideration, among other items, each of the following:

(i) The Developer’s acquisition of the Lloyd Property and the disposition of the Agency Property to the Developer for redevelopment of the Site, in accordance with the Redevelopment Plan, with thirty-three (33) units of affordable rental housing (“Rental Housing”), approximately 13,000 square feet of ground floor space to be used as commercial retail, office and/or community space (“Ground Floor Space”) and approximately 111 onsite parking spaces, including at least thirty-eight (38) retail parking spaces (“Proposed Project”). The Proposed Project will be three stories (plus subterranean parking) with a maximum height of 38 feet and will include the following resident amenities: landscaped courtyards, a cyber library and community room to be available for use by residents of the surrounding neighborhood, a laundry room, and a rooftop community garden (for residents of the Project). The commercial retail space will be located at ground level along Washington Boulevard and will consist of retail uses approved by the Agency. The Proposed Project will be consistent with the description set forth in this Section 3(A)(i) and that certain Proposal dated May 10, 2010, submitted by the Developer to the Agency for the Proposed Project, and incorporated herein by this reference, subject to changes or revisions to the Proposed Project as agreed to by the Developer and the Agency. The proposed Rental Housing must satisfy the requirements for LEED Silver certification, at a minimum.

(ii) The coordination of the planning, design and construction of the Proposed Project to provide affordable housing for very low and low income households, to revitalize the Project Area, to maximize the Proposed Project’s compatibility with the abutting and adjacent uses, and to minimize environmental, traffic and other impacts on the abutting and adjacent uses.

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(iii) For Developer to be solely responsible for all development costs of the Proposed Project (subject to the receipt of the Agency assistance contemplated herein). Neither the Agency or the City, nor any of their officers, employees or agents have provided any direct or indirect information which in any way would indicate that the Proposed Project is or is not subject to the State of California's prevailing wage requirements. The Agency shall not impose any prevailing wage requirements on the Proposed Project to the extent not otherwise required by applicable State or Federal law).

(iv) Financial consideration to the Agency for conveyance of fee title ownership of the Agency Property to the Developer for purposes of redevelopment as affordable housing for very low and low income households pursuant to, and in accordance with, the Community Redevelopment Law.

(v) Such other provisions regarding the participation and responsibilities of the Developer and the Agency deemed necessary or advisable by the Agency and/or the City to further the purpose of developing the Proposed Project, revitalizing the Project Area, and meeting all applicable legal requirements.

B By entering into this Agreement, the Parties' goal is to provide a Proposed Project which implements the Redevelopment Plan, the City's General Plan and the Comprehensive Housing Strategy, meets the objective of providing affordable housing for very low and low income households, and complements the redevelopment activities already begun in the West Washington area.

C Notwithstanding any provisions of this Agreement, the Developer acknowledges and agrees that nothing in this Agreement shall obligate the Agency to approve a DDA or the Proposed Project or shall otherwise expressly or impliedly obligate the Agency to sell any property or interests therein. The Developer further acknowledges and agrees that the approval of this Agreement and a DDA and the participation in any portion of the Proposed Project by the Agency shall be in the sole and absolute discretion of the Agency. The Developer further acknowledges and agrees that this Agreement does not confer upon the Developer the right to have a DDA, the Proposed Project or any portion of the Proposed Project approved by the Agency or by the City of Culver City. The Parties in no way intend for this Agreement to waive or restrict the Agency's and the City of Culver City's exercise of their independent, discretionary judgment with regard to a DDA and any and all portions of the Proposed Project.

Section 4. EXCLUSIVE RIGHT TO NEGOTIATE

A The Agency hereby grants to the Developer and the Developer hereby accepts this Agreement for a period of One Hundred Twenty (120) calendar days, commencing on the date this Agreement is signed on behalf of the Agency, and continuing in full force and effect until the earlier of (i) expiration or earlier termination of this Agreement pursuant to Sections 8 or 9 of this Agreement and (ii) the date that a DDA for the Proposed Project is approved or disapproved by the Agency Board and the City Council ("Term").

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B Subject to earlier termination pursuant to Sections 8 or 9 of this Agreement, this Agreement shall remain in effect for the Term so long as Developer has not breached this Agreement.

C The Agency and the Developer agree, so long as this Agreement is effective and for the period set forth in this Section 4 of the Agreement, to negotiate diligently and in good faith to prepare a DDA to be entered into by the Agency and the Developer with regard to the objectives described above and the purposes of this Agreement. During the Term, the Agency agrees not to negotiate for the acquisition, financing and/or development of the Site, or any portion thereof, with any party other than the Developer, or approve or conduct a public hearing for any other acquisition, financing and/or development of the Site, or any portion thereof.

D Subject to the reasonable approval of the Agency Executive Director or designee, the Term may be extended one or more additional times for a period not to exceed an aggregate of an additional Ninety (90) calendar days upon the request of the Developer.

E If the Developer requests an additional extension of the Term of this Agreement beyond the extension described in Section 4.D., then any such extension shall be granted, if at all, in the sole and absolute discretion of the Agency Executive Director or designee and only if the Developer agrees to reimburse the Agency and City for all reasonable costs and expenses for staff and consultant time expended on the negotiation and preparation of the DDA during such extended term.

F If, upon the expiration of the Term of this Agreement, the Parties have not each approved and executed a DDA, then this Agreement shall automatically terminate and the Developer shall have no further rights regarding the subject matter of this Agreement or all or any part of the Agency Property and the Agency shall be free to negotiate with any other persons or entities with regard to all or any part of the Site.

Section 5. TERMS

A The Agency and the Developer hereby agree to comply with each of the following in accordance, as applicable, with the timing described below and the Schedule of Performance attached hereto as Exhibit "C" and incorporated herein:

(i) Monthly Status Reports. On or before the tenth (10th) day of each month starting with the first full month after the effective date of this Agreement, the Developer shall provide monthly status reports to the Agency Assistant Executive Director in a format reasonably requested by the Assistant Executive Director. These reports, at a minimum, shall include status reports regarding progress associated with the Schedule of Performance, identification of the issues and concerns raised by community residents, organizations, businesses and property owners and the Developer's progress in resolving those issues and concerns, and the Developer's efforts to secure quality retail tenants for the Proposed Project.

(ii) Financial Analysis. Developer shall provide the Agency with a detailed financial analysis for the Proposed Project containing matters typically contained in such analyses, including without limitation, a detailed development cost budget, proposed rents and a detailed operating income and expense estimate. The financial analysis will be used to evidence the financial feasibility of the Proposed Project and to assist in the negotiation of terms regarding the financing of the Proposed Project. The analysis shall describe the proposed amount and uses of any financial assistance requested to be provided by the Agency. The Agency staff shall use reasonable efforts to review and comment on the Financial Analysis in a timely manner.

(iii) Submittal and Review of Conceptual Plans. The Developer shall submit to the Agency conceptual plans for the development of the entire Site ("Conceptual Plans"). The Conceptual Plans shall be consistent with those certain conceptual plans prepared by The Albert Group Architects, submitted by the Developer to the Agency for the Proposed Project, and hereby incorporated herein by this reference, subject to changes to the conceptual plans as agreed upon by the Agency. The Agency staff and Agency Board shall use reasonable efforts to review and comment on the Conceptual Plans in a timely manner.

(iv) City's Planning Process. The Developer, at its sole cost and expense, shall submit to the City's Planning Division such plans as are necessary to conduct the review for the Proposed Project that the Planning Division and the Assistant Agency Executive Director determine must be completed prior to the submittal of the DDA for Agency Board and City Council approval. Such plans shall be for the entire Site and Proposed Project. The Developer shall be solely responsible for paying any and all costs and expenses associated with Developer's preparation of such plans and with the review and processing of the plans by the City and the Agency. The Agency (as owner of the Agency Property) at no material cost thereto, shall reasonably cooperate with the Developer in processing the plans, including, without limitation, execution of all necessary applications to the City.

(v) CEQA Compliance. The Developer, at its sole cost and expense, shall be responsible for compliance with CEQA in connection with the development of the Site and the Proposed Project. The Developer shall be solely responsible for paying any and all costs and expenses associated with the Agency's compliance with applicable CEQA requirements (including, without limitation, any required Environmental Impact Report and/or other required environmental documents). The Developer shall cooperate fully and in a timely manner to requests for information from the Agency and any of the Agency's consultants. The Agency (as the owner of the Agency Property) at no material cost thereto, shall reasonably cooperate with the Developer in processing CEQA analysis, including, without limitation, execution of all necessary applications therefor.

(vi) Community Meetings. The Developer shall continue to conduct community meetings to identify and attempt to resolve potential concerns regarding the Proposed Project and agrees to conduct and/or participate in not more than three (3) such meetings as shown in the Schedule of Performance attached as Exhibit “D”, commencing promptly after the Agency’s execution of this Agreement. In addition, the Developer shall meet with the Advisory Committee on Redevelopment as needed to identify and resolve project design and impact issues.

(vii) Relocation Obligations. Upon the Developer’s acquisition of the Lloyd Property, the Developer, at its sole cost and expense, shall comply with the requirements of all relocation laws applicable to such acquisition for development of the Proposed Project, including, but not limited to, the Uniform Relocation Act and the California Relocation Assistance Act, and shall comply with related tenant notice requirements and shall provide the Agency with true and correct copies of such notices to tenants, if any. Developer shall also retain all required records and the originals and/or copies of any tenant notices in its files as mandated by applicable law.

(viii) DDA Process. In accordance with this Agreement, the Agency shall conduct any required CEQA review and process and approve or disapprove a DDA. If the negotiations hereunder culminate in a DDA, such an agreement becomes effective only after and if a DDA has been considered and approved by the Agency and City Council after public hearing. The Agency shall reasonably cooperate with the Developer in order to enable the Developer to meet its deadlines (including, without limitation, using reasonable efforts to make Agency staff and consultants available as reasonably needed to allow the Agency to timely perform its obligations under this Agreement); however, neither the Agency or the City is obligated to expedite any reviews, approvals, notices, meetings or other matters, and nothing contained in this Agreement shall be construed to limit the Agency’s and City’s discretion in their activities in connection with the Proposed Project.

(ix) Agency’s Right to Additional Information. The Agency reserves the right, during the Term of this Agreement, to request reasonable additional information and data from the Developer necessary for review and evaluation of the Site and the Proposed Project, provided, however, Developer shall not be obligated to provide any information or data not obtained by the Developer in the course of its review and evaluation of the Project. The Developer agrees to provide such additional information or data as requested in a timely manner. All information regarding the Developer’s business practice which may be provided to the Agency shall remain confidential to the extent permissible by law including, without limitation, the California Public Records Act. If the Agency at the request of the Developer is required to defend an action under the California Public Records Act with regard to a request for disclosure of any of the documents or reports related to the Project, Developer agrees to defend and

indemnify the Agency and City from all costs and expenses of such defense, including reasonable attorneys fees of the Agency and City or attorneys fees awarded by a court arising out of such action.

(x) Hazardous Materials and Site Conditions. The Developer shall be solely responsible for all necessary testing of the Site for hazardous materials pursuant to all applicable laws, statutes, rules and regulations. As between the Agency and the Developer, upon the Developer's acquisition of the Site in its entirety, the Developer shall also be responsible for making the Site usable for the Proposed Project as a result of any Site conditions including, without limitation, flood zones, Alquist-Priolo Earthquake Fault Zoning Act, and similar matters. For purposes of this Agreement, "hazardous materials" shall mean asbestos; polychlorinated biphenyls (whether or not highly chlorinated); radon gas; radioactive materials; explosives; chemicals known to cause cancer or reproductive toxicity; hazardous waste, toxic substances or related materials; petroleum and petroleum product, including, but not limited to, gasoline and diesel fuel; those substances defined as a "Hazardous Substance", as defined by Section 9601 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, *et seq.*, or as "Hazardous Waste" as defined by Section 6903 of the Resource Conservation and Recovery Act, 42 U.S.C. 6901, *et seq.*; an "Extremely Hazardous Waste," a "Hazardous Waste" or a "Restricted Hazardous Waste," as defined by The Hazardous Waste Control Law under Section 25115, 25117 or 25122.7 of the California Health and Safety Code, or is listed or identified pursuant to Section 25140 of the California Health and Safety Code; a "Hazardous Material", "Hazardous Substance," "Hazardous Waste" or "Toxic Air Contaminant" as defined by the California Hazardous Substance Account Act, laws pertaining to the underground storage of hazardous substances, hazardous materials release response plans, or the California Clean Air Act under Sections 25316, 25281, 25501, 25501.1 or 39655 of the California Health and Safety Code; "Oil" or a "Hazardous Substance" listed or identified pursuant to 311 of the Federal Water Pollution Control Act, 33 U.S.C. 1321; a "Hazardous Waste," "Extremely Hazardous Waste" or an "Acutely Hazardous Waste" listed or defined pursuant to Chapter 11 of Title 22 of the California Code of Regulations Sections 66261.1 through 66261.126; chemicals listed by the State of California under Proposition 65 Safe Drinking Water and Toxic Enforcement Act of 1986 as a chemical known by the State to cause cancer or reproductive toxicity pursuant to Section 25249.8 of the California Health and Safety Code; a material which due to its characteristics or interaction with one or more other substances, chemical compounds, or mixtures, materially damages or threatens to materially damage, health, safety, or the environment, or is required by any law or public agency to be remediated, including remediation which such law or government agency requires in order for the Site to be put to the purpose proposed by this Agreement; any material whose presence would require remediation pursuant to the guidelines set forth in the State of California Leaking Underground Fuel Tank Field Manual, whether or not the presence of such material resulted from a leaking underground fuel tank; pesticides regulated under

the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. 136 *et seq.*; asbestos, PCBs, and other substances regulated under the Toxic Substances Control Act, 15 U.S.C. 2601 *et seq.*; any radioactive material including, without limitation, any “source material,” “special nuclear material,” “by-product material,” “low-level wastes,” “high-level radioactive waste,” “spent nuclear fuel” or “transuranic waste” and any other radioactive materials or radioactive wastes, however produced, regulated under the Atomic Energy Act, 42 U.S.C. 2011 *et seq.*, the Nuclear Waste Policy Act, 42 U.S.C. 10101 *et seq.*, or pursuant to the California Radiation Control Law, California Health and Safety Code, Sections 25800 *et seq.*; hazardous substances regulated under the Occupational Safety and Health Act, 29 U.S.C. 651 *et seq.*, or the California Occupational Safety and Health Act, California Labor Code, Sections 6300 *et seq.*; and/or regulated under the Clean Air Act, 42 U.S.C. 7401 *et seq.* or pursuant to The California Clean Air Act, Sections 3900 *et seq.* of the California Health and Safety Code. Any studies and reports generated by the Developer’s testing for hazardous materials shall be made available to the Agency without representation or warranty upon the Agency’s request, except to the extent such studies and reports are protected by the attorney-client privilege. The Agency will deliver to the Developer all reports within its possession or under its control regarding Hazardous Materials relating to the Agency Property.

(xi) Developer’s Due Diligence. During the Term of this Agreement, Developer shall have the right to examine, inspect and investigate the Agency Property and to determine whether the Agency Property is acceptable to Developer, which right of Developer is subject to and conditioned upon the terms and provisions of the License Agreement attached hereto as Exhibit E, incorporated herein by this reference.

(xii) Agency and City Not Responsible for Costs. Except as otherwise may be mutually agreed to in writing by the Parties, as part of this Agreement or the DDA, the Agency and the City shall not be liable for any costs and expenses associated with the preparation of any reports to be prepared by the Developer or the planning or development of the Site pursuant to or arising from this Agreement.

(xiii) DDA to Supersede this Agreement. This Agreement will be superseded by the DDA, if and when the proposed DDA is executed by the Developer, approved by the Agency and City in the manner required by law, and executed by the Agency.

(xiv) Real Estate Commissions. Neither the Agency nor the Developer shall be liable for any real estate commissions or brokerage fees which may arise herefrom. The Agency and the Developer each represents it has not engaged a broker, agent or finder in connection with this transaction (provided, however, Developer has engaged Kevin Smith of KANMCO as a broker in connection with the Lloyd Property). The Developer agrees to defend, hold harmless and

indemnify the Agency or City from any claim by any broker, agent or finder retained, or claimed to have been retained, by the Developer. The Agency agrees to defend, hold harmless and indemnify the Developer from any claim by any broker, agent or finder retained, or claimed to have been retained by the Agency.

(xv) Change in Ownership or Control of Developer. The Developer understands the Agency is entering into this Agreement based on the prior experience and qualifications of the individuals who work for the Developer as of the date of this Agreement. Therefore, the Developer shall not assign, sell or otherwise transfer any or all of its rights under this Agreement, or interest herein, without the prior written approval of the Agency. Further, no voluntary or involuntary successor in interest of the Developer shall acquire any rights or powers under this Agreement except as expressly set forth herein. For the reasons cited herein, the Developer represents and agrees for itself and any successor in interest that prior to the expiration of the Term, and without the prior written approval of the Agency, there shall be no significant change in the management or control of the Developer or with respect to the identity of the parties in control of the Developer, by any method or means. The Developer shall promptly notify the Agency of all changes whatsoever in the identity of the parties in control of the Developer, or the degree of control, of which it or any of its officers have been notified or otherwise have knowledge or information. This Agreement may be terminated by the Agency if there is any significant change (voluntary or involuntary) in membership, management or control, of the Developer, or the persons in control of the Developer, prior to the expiration of the Term. For purposes of this Subsection, a significant change shall mean any change in the identity of the Executive Director or any other person or persons having ultimate control over the day to day management of the Developer or the appointment of a receiver or trustee to operate or exercise direct or indirect control over any portion of or interest in the Lloyd Property or over the Developer. Periodic, routine changes in board membership that cumulatively affect less than 50% of the membership of the Board shall not be considered a "significant change". If, except as provided in this Subsection, there is an assignment of this Agreement, or change in the management or control of the Developer which the Agency does not approve, the Agency may take such reasonable action as the Agency may deem appropriate including, without limiting the generality of the foregoing, terminating this Agreement and exercising any other rights of the Agency.

(xvi) Formation of Limited Partnership. Developer anticipates that it will form a limited partnership for the purpose of developing the Proposed Project and obtaining low income housing tax credit investor equity. The entities comprising the partnership, the individuals serving as officers and directors of those entities and the form of the limited partnership agreement(s) will be subject to the Agency's approval. Unless the Agency agrees otherwise, the Developer will act as Managing General Partner of such partnership.

Section 6. TERMS TO BE NEGOTIATED

A The Agency and the Developer shall meet regularly with each other in order to negotiate a proposed DDA which shall include, without limitation, the following provisions:

(i) A Scope of Development setting forth the number of housing units, the total square feet of commercial space, the number of required parking spaces and the design parameters for the Site including, but not be limited to, building height, acceptable architectural and landscape quality, access and circulation, determination of parcel boundaries, on-site and off-site improvements, site-perimeter treatment, landscaped buffers, parking, signage, lighting, and easements, if applicable. Use issues involving the compatibility and amount of uses, their financial feasibility and their physical compatibility, shall also be resolved.

(ii) The manner in which the edges of the development are designed to maximize compatibility with the abutting and adjacent uses by the use of a variety of materials to provide a sense of visual relief and openness, to preserve the privacy of adjacent residential units and to minimize noise and other impacts.

(iii) A sources and uses budget, which shall be based upon a financial *pro forma* that has been approved by the Agency, and a feasible method of financing, reasonably demonstrating to the Agency the availability of all funds needed to complete the development of the Proposed Project. The DDA shall require the submittal of documentation of all proposed construction loans and owner equity needed to carry out the proposed method of financing. Developer agrees to make continuing full disclosure to Agency of its proposed methods of financing the Proposed Project, including the financing of any off-site improvements that are required to obtain the necessary entitlements for the Proposed Project.

(iv) The timing and conditions precedent for the conveyance of the Agency Property or portions thereof.

(v) Financial consideration to the Agency for conveyance of fee title ownership of the Agency Property to the Developer for purposes of redevelopment pursuant to, and in accordance with, the Community Redevelopment Law. Such consideration may include a cash payment to the Agency for a portion of the purchase price for the Agency Property, with the balance to be paid with a loan from the Agency.

(vi) The terms of any additional financial assistance to be provided by the Agency for the payment of eligible development costs of the Proposed Project and the Developer's construction of additional off-site improvements requested by the Agency and agreed to by the Developer.

(vii) Appropriate controls to regulate the use of the Site, including but not limited to an Agreement Affecting Real Property and a Density Bonus Agreement (if applicable), setting forth the Developer's affordable housing obligations. Such controls shall include appropriate and reasonable standards for the selection of commercial tenants, including but not limited to a requirement that tenant selection be consistent with the City's zoning code and parking ordinance, be fully served by on-site parking and be targeted to uses that will assist in mitigating the traffic impacts on the surrounding neighborhood.

(viii) A management and maintenance plan for operation of the Proposed Project including, without limitation, a maintenance program and a marketing and tenant selection plan.

(ix) The performance guarantees and amount of liquidated damages, if any. The proposed DDA shall require the Developer and successor owners of the Site and improvements located thereon to pay, when due (subject to any abatement available pursuant to Section 214(g) of the California Revenue and Taxation Code), all taxes, assessments, and special taxes levied on the Site, in accordance with applicable laws, and shall provide for appropriate restrictions on appeals or challenges of assessments of the fair market value of the Site for property tax purposes.

(x) A schedule of performance encompassing appropriate and necessary legal, administrative, transfer of property ownership, financial and construction benchmarks to be met by the appropriate Party.

(xi) As between the Agency, City and Developer, the Developer's sole responsibility for all costs and fees associated with the removal or remediation of any potentially hazardous materials from the Site, demolition of all improvements on the Site, and relocation of any persons, entities or equipment from the Site.

(xii) To satisfy the parking needs of the Proposed Project, the Developer shall comply with the Culver City Municipal Code and any and all requirements of the Agency and/or the City.

(xiii) The DDA shall be subject to the Agency's standard insurance requirements and all other applicable and customary Agency and City policies. The DDA shall require appropriate performance and payment bonds with regard to the construction of the Proposed Project or another form of assurance that is acceptable to the Agency.

Section 7. LIMITATIONS ON REMEDIES FOR BREACH OR DEFAULT AND RELEASE OF CLAIMS

A Rights and Remedies. If either Party defaults with regard to any of the provisions of this Agreement, then the non-defaulting Party shall serve written notice of such

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default upon the defaulting Party. If the default is not cured within a reasonable time (but not more than fifteen (15) calendar days), then the defaulting Party shall be liable to the non-defaulting Party for any damages caused by such default, and the non-defaulting Party may thereafter (but not before) commence an action for damages against the defaulting Party with respect to such default; provided however, that neither Party shall have any obligation to the other for payment of punitive, exemplary or consequential damages and provided further, that each Party waives its right to bring an action for specific performance against the other Party, except that the Developer may bring an action for specific performance to enforce the Agency's obligation to negotiate exclusively with the Developer during the Term of this Agreement and the Agency may bring an action for specific performance to enforce the Developer's obligation to pay those Agency costs expressly required by this Agreement to be paid by the Developer. In the event of a breach or default of this Agreement, the non-breaching Party shall be entitled to all remedies available pursuant to the terms of this Agreement, at law and in equity, and all such remedies are cumulative in nature and may be asserted by such Party in the alternative and the assertion of a remedy by a Party shall not be deemed an exclusive election of remedies or waiver of any other rights conferred on that Party by the terms of this Agreement.

B Section 1542. Each Party acknowledges that it is aware of the meaning and legal effect of California Civil Code Section 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her would have materially affected his or her settlement with the debtor.

C General Release. California Civil Code Section 1542 notwithstanding, it is the intention of both of the Parties to be bound by the limitation on damages and remedies set forth in this Section 7 of the Agreement, and the Parties hereby release any and all claims against each other and their respective officers, officials, employees, consultants or agents for damages or specific performance (except as set forth above) related to any breach of this Agreement, whether or not any such released claims were known or unknown to either of the Parties as of the date of this Agreement. Each of the Parties hereby waives the benefits of California Civil Code Section 1542 and all other statutes and judicial decisions (whether state or federal) of similar effect with regard to the limitations on damages and remedies and waivers of any such damages and remedies contained in this Section 7.

Agency's Initials

Developer's Initials

Section 8. TERMINATION BY AGENCY

A The Agency shall have the right to terminate this Agreement in the event of either of the following:

- (i) The Developer fails timely to perform any of its obligations hereunder or is otherwise in default under this Agreement; or

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(ii) The Developer proposes provisions in the proposed DDA which materially vary from the Proposed Project, and fails to rescind such proposals after the Agency notifies the Developer of its intent to terminate this Agreement as a result of such proposals.

B The Agency's right of termination shall be subject to the fifteen calendar day (15-day) notice and cure provisions set forth in Section 7(A) of this Agreement.

Section 9. TERMINATION BY DEVELOPER

A. The Developer shall have the right to terminate this Agreement in the event of the occurrence of any of the following:

(i) The Developer determines, in its sole and absolute discretion, that (i) the development of the Proposed Project is not financially feasible or (ii) it is reasonably likely that the Proposed Project will not obtain all necessary entitlements and environmental clearances necessary for the development and operation of the Proposed Project.

(ii) In the course of its investigation of the Site, Developer discovers any currently unknown conditions or circumstances which would materially impact the cost of the Proposed Project and/or the use of all or any portion of the Proposed Project; or

(iii) The Agency fails timely to perform any of its obligation hereunder or is otherwise in default under this Agreement.

B. The Developer's right of termination shall be subject to the fifteen (15) calendar day notice and cure provisions set forth in Section 7(A) of this Agreement..

Section 10. INDEMNITY

Other than arising from a dispute between the Developer and Agency regarding any such Party's performance hereunder, Developer shall indemnify, defend, and hold the Agency and City, their directors, officers, employees, agents, and successors and assigns (collectively, the "Indemnitees" in this Section) harmless against all suits and causes of action, claims, costs, and liability, including, but not limited to, reasonable attorney's fees and costs of any litigation, or arbitration or mediation, if any, brought (1) challenging the validity, legality or enforceability of this Agreement (other than an action brought by a Party hereto or the City) or (2) seeking damages which may arise directly or indirectly from the negotiation, formation, execution, enforcement or termination of this Agreement, or which are incident to the performance of the activities contemplated in this Agreement (other than an action brought by a Party hereto or the City). Nothing in this Section shall be construed to mean that Developer shall hold the Indemnitees harmless and/or defend them to the extent of any claims arising from, or alleged to arise from the sole negligence, willful misconduct or illegal acts of any of the Indemnitees, the failure of the Agency and/or City to follow any rule, procedure or law applicable to the City or Agency (provided that the Developer shall indemnify and hold the Indemnitees harmless to the

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extent of any claims arising from or alleged to arise from the Developer's failure to comply with its relocation obligations under Section 5.A. of this Agreement), and/or any claims that this Agreement violates any current agreement to which the City and/or Agency is subject. The Agency and City agree that they shall fully cooperate with Developer in the defense of any matter in which Developer is defending and/or holding the Indemnitees harmless. The Agency and City may make all reasonable decisions with respect to their representation in any legal proceeding, including, but not limited to, the selection of attorney(s). This indemnity obligation shall survive the termination of this Agreement.

Section 11. NO THIRD PARTY BENEFICIARIES

The Agency and the Developer expressly acknowledge and agree they do not intend, by their execution of this Agreement, to benefit any persons or entities not signatory to this Agreement, including, without limitation, any brokers representing the parties to this transaction. No person or entity not a signatory to this Agreement shall have any rights or causes of action against either the Agency or the Developer arising out of or due to the Agency's or the Developer's entry into this Agreement.

Section 12. NOTICES

A Any notice, request, approval or other communication to be provided by either Party shall be in writing and dispatched by first class mail, registered or certified mail, postage prepaid, return-receipt requested, or by personal delivery (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service), to the addresses of the Agency and the Developer set forth in this Section 12 of the Agreement. Such written notices, requests, approvals or other communication may be sent in the same manner to such other addresses as either Party may designate from time to time.

B Any notice personally delivered (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service), shall be deemed received on the documented date of receipt; and any notice that is sent by registered or certified mail, postage prepaid, return-receipt requested shall be deemed received on the date of receipt thereof.

If to the Agency:

Culver City Redevelopment Agency
Attn: Sol Blumenfeld, Assistant Executive Director
9770 Culver Boulevard
Culver City, California 90232-0507
Telephone: (310) 253-5700

With a copy to:

Kane, Ballmer & Berkman
Attn: Deborah L. Rhoads, Esq.
Exclusive Negotiation Agreement
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515 S. Figueroa Street; Suite 1850
Los Angeles, California 90071-3301
Telephone: (213) 617-0480

If to the Developer:

Los Angeles Housing Partnership
Attn: Mary Silverstein, President and Executive Director
1200 Wilshire Boulevard, Suite 307
Los Angeles, California 90017
Telephone: (213) 629-9172

With a copy to:

Bocarsly Emden Cowan Esmail & Arndt LLP
Attn: Kyle Arndt, Esq.
633 West Fifth Street, 70th Floor
Los Angeles, California 90071
Telephone: (213) 239-8048

Section 13. NO CONFLICT OF INTEREST

No member, official, or employee of the Agency or the City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is, directly or indirectly, interested. The Developer warrants that it has not paid or given, and will not pay or give, directly or indirectly, any Agency or City employee or official any money or other consideration at all, whether or not connected in any way with the subject matter of this Agreement. Further, the Developer warrants that it has no knowledge of any financial interest of any Agency or City employee or official in the Developer, directly or indirectly, or in any person or entity affiliated with the Developer, or in any transaction in which the Developer has been involved.

Section 14. LIMITATION ON EFFECT OF AGREEMENT

This Agreement shall not obligate either Party to enter into a DDA or to enter into any particular DDA. The Agency and Developer do not intend this Agreement to be a purchase agreement, ground lease, license, option or similar contract. Nor do Agency and Developer intend to be bound in any way by this Agreement except during the Negotiating Period as expressly set forth herein. By execution of this Agreement, the Agency is not committing itself to or agreeing to undertake acquisition, disposition, or exercise of control over any portion of the Site nor is Developer committing itself to undertake the acquisition of any portion of the Site or the development, financing or construction of the Proposed Project. Execution of this

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Agreement by the Agency and Developer is merely an agreement to conduct a period of exclusive negotiations and to prepare recommendations to the Agency Board and City Council in accordance with the terms hereof, reserving for subsequent Agency and City action the final discretion and approval regarding the execution of a DDA and all proceedings and decisions in connection therewith. Any DDA resulting from negotiations pursuant to this Agreement shall become effective only if and after such DDA has been considered and approved by the Agency Board and the City Council following performance of all legally required procedures. Each party assumes the risk that, notwithstanding this Agreement and good faith negotiations, the Parties may not enter into a DDA due to the Parties' failure to agree upon essential terms of a transaction or a decision by the Agency Board or City Council not to authorize execution of a DDA. Except as expressly provided in this Agreement, a Party shall have no obligations or duties to the other Party hereunder and no liability whatsoever in the event the Parties fail to execute a DDA.

Section 15. MISCELLANEOUS PROVISIONS

A Counterparts. This Agreement may be executed in counterparts, each of which when so executed shall be deemed an original, and all of which, when taken together, shall constitute but one and the same instrument.

B Entire Agreement/Integration. This Agreement represents the entire agreement of the Parties and integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements, oral or written, between the Parties with respect to development of the Site.

C Waivers; Amendments. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the Party to be charged, and all amendments and modifications hereto must be in writing and signed by the appropriate authorities of the Parties. 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 said Default or of any rights or remedies in connection therewith or of any subsequent Default or any rights or remedies in connection therewith, 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.

D Governing Law and Venue. This Agreement and the legal relations between the Parties shall be governed by, interpreted under, construed and enforced in accordance with, the internal laws of the State of California without reference to the rules governing the conflict of laws. This Agreement is made and entered into in the County of Los Angeles, California, and any legal actions or proceedings arising from or related to this Agreement shall be brought in the County of Los Angeles.

E No Association Between the Developer and Agency and/or City. The Parties in no way intend for this Agreement to give rise to or create any relationship of partnership, joint venture, or any other form of association of any kind or nature between the Developer and the Agency and/or the City.

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F Litigation Expenses and Attorneys' Fees. In the event any action, suit or proceeding is brought for the enforcement of, or the declaration of any right or obligation pursuant to this Agreement or as a result of any alleged breach of any provision of this Agreement, the prevailing Party in such suit or proceeding shall be entitled to recover its costs and expenses, including reasonable attorney's fees, from the losing Party, and any judgment or decree rendered in such a proceeding shall include an award thereof.

G Assignment. This Agreement shall not be assignable by either Party without the prior written consent of the other Party. The Agency shall have the right to terminate this Agreement if Developer assigns this Agreement or if there is any material change in the management or control of the Developer.

H Ambiguities. This Agreement is in all respects intended by each Party hereto to be deemed and construed to have been jointly prepared by the Parties and the Parties hereby expressly agree that any uncertainty or ambiguity existing herein shall not be interpreted against either of them. Except as expressly limited by this Section 14(H) of the Agreement, all of the applicable rules of interpretation of contracts shall govern the interpretation of any uncertainty or ambiguity of this Agreement.

I Captions and Headings. The headings and captions of the various sections and paragraphs of this Agreement have been inserted only for the purpose of convenience and are not a part of this Agreement and shall not be deemed in any manner to modify, explain, expand or restrict any of the provisions of this Agreement.

J Severability. Every provision of this Agreement is intended to be severable. If any provision of this Agreement or the application of any provision hereof to any party or circumstance is declared to be illegal, invalid or unenforceable for any reason whatsoever by a court of competent jurisdiction, such invalidity shall not affect the other terms and provisions hereof or the application of the provision in question to any other party or circumstance, all of which shall continue in full force and effect.

K Warranty Against Payment of Consideration for Agreement. Developer warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement.

L Nonliability of Officials, Officers, Members, and Employees. No member, official, officer, or employee of the Agency or the City shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by the Agency or for any amount which may become due to Developer or to his successor, or on any obligations under the terms of this Agreement. No member, officer or employee of Developer shall be personally liable to the Agency, the City or any successor in interest, in the event of any default by the Developer or for any amount which may become due to the Agency or City or its successor, or an obligation under the terms of this Agreement.

M Developer's Obligation For Equal Opportunity. Developer will not discriminate against any employees or applicants for employment because of race, color,

religion, creed, national origin, ancestry, sex, sexual orientation, age, disability, medical condition, or marital status.

N Use of Project Images. Developer hereby consents to the use by Agency and City of images of the Proposed Project, its models, plans and other graphical representations of the Project and its various elements (“Project Images”) in connection with marketing, public relations, and special events, websites, presentations, and other uses required by the Agency and/or City in connection with the Project through the Negotiating Period. Such right to use the Project Images shall not be assignable by the Agency or City to any other party (including, without limitation, any private party) without the prior written consent of Developer. Use by Agency and City of Project Images, Developer’s name or names of its affiliates will be subject to prior Developer approval, which shall not be unreasonably withheld or delayed. For any Project Images provided to Agency and City by Developer, Developer shall use reasonable efforts to obtain any rights and/or consents from any third parties necessary to provide these Project Image use rights to Agency and City. In the event that the Parties enter into a DDA, the Agency’s right to use the Project Images shall be as set forth in the DDA.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

O Authority to Enter Agreement. The Developer represents and warrants that it has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective Party.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first written above.

**CULVER CITY REDEVELOPMENT
AGENCY**

Dated: _____

By: _____
John M. Nachbar
Executive Director

APPROVED AS TO FORM:
KANE, BALLMER & BERKMAN

By: _____
Murray O. Kane
General Counsel

**LOS ANGELES HOUSING PARTNERSHIP,
INC., a California non-profit public benefit
corporation**

Dated: _____

By: _____
Mary Silverstein,
President and Executive Director

EXHIBIT "A"
LEGAL DESCRIPTION OF
THE LLOYD PROPERTY

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOTS 1 AND 2 OF TRACT NO. 9648, IN THE CITY OF CULVER CITY COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 142, PAGES 13, 14 AND 15 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

Assessor's Parcel Number: 4213-007-001

EXHIBIT “B”
LEGAL DESCRIPTION OF
THE AGENCY PROPERTY

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOTS 4, 5, 6, 7 AND 8 OF TRACT NO. 9648, IN THE CITY OF CULVER CITY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 142, PAGES(S) 13 TO 15 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 4213-007-900

And

LOT 3 OF TRACT 9648, AS SHOWN ON A MAP RECORDED IN BOOK 142, PAGES 13, INCLUSIVE OF MISCELLANEOUS MAPS, RECORDS OF LOS ANGELES COUNTY, CALIFORNIA.

Assessor's Parcel Number 4213-007-901

EXHIBIT “C”
MAP OF THE SITE



EXHIBIT “D”**SCHEDULE OF PERFORMANCE**

	Deadline for Performance	Days from completion of previous item
1. Agency approves ENA	12/13/2010	N/A
2. Developer conducts community design charette.	01/13/2011	31
3. Developer submits Conceptual Plans to Agency	01/20/2011	7
4. Agency responds to Conceptual Plans	01/27/2011	7
5. Developer submits financial pro forma, including proposed sources and uses and cash flow projections	01/27/2011	0
6. Developer submits proposed term sheet to Agency staff	01/27/2011	0
7. Developer conducts community meeting	02/03/2010	7
8. Developer submits Conceptual Plans to Planning staff, if required	02/10/2011	7
9. Agency staff determines whether Conceptual Plans are complete and commences CEQA review, as required, and submits draft of DDA to Developer	02/17/2011	7
10. Agency staff completes CEQA review procedures.	03/03/2011	14

ATTACHMENT 1

11. Public hearing on proposed DDA	03/15/2011	12
12. Agency and City approve or disapprove Conceptual Plans and DDA	03/15/2011	0

EXHIBIT “E”
LICENSE AGREEMENT

[Immediately Follows This Page.]

**LICENSE AGREEMENT
BY AND BETWEEN
THE CULVER CITY REDEVELOPMENT AGENCY
AND
LOS ANGELES HOUSING PARTNERSHIP
(11054-11056 West Washington Boulevard)**

THIS LICENSE AGREEMENT is entered into by and between the CULVER CITY REDEVELOPMENT AGENCY, a public body, corporate and politic (the “Agency”) and LOS ANGELES HOUSING PARTNERSHIP, INC., a California non-profit public benefit corporation (the “Developer”). The Agency and Developer agree as follows:

RECITALS

A. The Agency holds fee title to certain real property hereinafter defined as the “Agency Property” and Developer desires to acquire the Agency Property from the Agency for the construction and operation on the Agency Property and an adjacent parcel of the improvements (the “Proposed Project”) described in the Exclusive Negotiation Agreement between the Agency and the Developer dated as of December __, 2010 (the “ENA”).

B. The Agency and Developer desire that Developer have an opportunity to conduct due diligence on the Agency Property, which may include performing physical tests on the Agency Property, prior to the parties entering into a written agreement to convey the Agency Property to the Developer.

NOW THEREFORE, the Parties agree as follows:

1. Parties to the Agreement.

(a) The Agency is a public body, corporate and politic, exercising governmental functions and powers and organized and existing under Chapter 2 of the Community Redevelopment Law of the State of California, Section 33000, et seq. of the California Health and Safety Code. The principal office of the Agency is located at 9770 Culver Boulevard, Culver City, California 90232-0507 or such other location of which notice is given pursuant to this Agreement. Its facsimile number is (310) 253-5779. “Agency” as used in this Agreement includes the Culver City Redevelopment Agency and any assignee of or successor to its rights, powers and responsibilities.

(b) The Developer is Los Angeles Housing Partnership, Inc., a California non-profit public benefit corporation. The principal office of the Developer is located at 1200 Wilshire Boulevard, Suite 307, Los Angeles, California 90017 or such other location of which notice is given pursuant to this Agreement. Its facsimile number is (213) 629-9179.

2. Description of Agency Property.

The Agency is the owner of certain real property located at 11054-11056 West Washington Boulevard in the City of Culver City, Los Angeles County, California, and more particularly described in Exhibit A and illustrated by the site map in Exhibit B, which are attached to this Agreement and hereby incorporated by reference (the "Agency Property").

3. Grant of License.

(a) Subject to and conditioned upon the terms and conditions of this Agreement, the Agency grants to Developer and its authorized agents a license (the "License") to perform the following acts on the Agency Property: (1) obtain soil samples and make such other surveys, investigations and tests reasonably necessary to determine the suitability of the Agency Property for the development, financing and/or construction of the Proposed Project; and (2) conduct reasonable investigations on and beneath the Agency Property and all improvements thereon to determine the presence of Hazardous Materials and/or other soil conditions. As used herein, the phrase "Hazardous Materials" shall have the same meaning given to it in the ENA.

(b) Developer may not use the Agency Property for any other purpose without obtaining the Agency's prior written consent.

4. Term.

This License shall commence on the Effective Date of the ENA and shall automatically expire, without need for further notice of any kind, upon the expiration of the Term of the ENA, unless otherwise mutually extended beforehand by the parties in writing or earlier terminated in accordance with its terms (the "Term").

5. Compliance With Laws.

Developer, at its expense, shall comply in all material respects with all applicable federal, state and local laws, ordinances, regulations, rules and orders with respect to the Agency Property, including all applicable federal and state labor laws. Developer, its agents, contractors, licensees, employees or invitees shall not permit to be placed upon the Agency Property any Hazardous Materials, except for *de minimis* quantities used in compliance with all applicable environmental laws and required in connection with Developer's permitted activities under this License. Developer shall conduct all of its operations on the Agency Property at its sole cost and expense.

6. Reports and Studies.

In consideration of the Agency's granting of this License, Developer shall promptly provide the Agency without representation or warranty with a copy of all reports and test results arising from this License which are not legally privileged.

7. License Nonassignable.

This License is personal to Developer and shall not be assigned. Any attempt to assign the License shall automatically terminate it, without need for notice of any kind. No legal title or interest in the Agency Property is created or vested in Developer by the grant of this License.

8. Nonexclusive License.

This License is nonexclusive. Nothing contained herein shall be construed to restrict or prevent the entry onto and use of the Agency Property during the Term of the License by the Agency, the City of Culver City, or their respective agents, consultants, assigns and other licensees.

9. Surrender.

On or before the termination date for the License, Developer shall remove all of its personal property from the Agency Property and shall (except as prohibited by any local State or Federal agency) fill any excavations made by Developer to return the Agency Property to its previous condition and shall surrender possession of the Agency Property to the Agency in good order and repair to the satisfaction of the Agency, normal wear and tear excepted.

10. Release and Indemnity.

Developer, as a material part of the consideration to be rendered to the Agency for the granting of this License, for itself and its successors and assigns, hereby agrees:

(a) to indemnify, defend, protect and hold the Agency and City, their directors, officers, employees, agents, and successors and assigns (the "Indemnified Parties"), free and harmless against all suits and causes of action, claims, costs, and liability, including, but not limited to, reasonable attorney's fees and costs of any litigation, or arbitration or mediation, if any, arising from the exercise of the License, including, but not limited to:

(1) any and all risks of or exposure to any loss or liability arising from activities conducted by Developer on the Agency Property under this License;

(2) any and all claims arising from or relating to the transportation, storage, handling or use of any material taken from the Agency Property pursuant to the License, or from any substance, known or unknown, emanating or derived therefrom; and

(3) any and all claims for damage to the Agency Property, any improvements thereon, or to the property or person of any third party, alleged to have been caused by, or in any way connected with the physical properties of the Agency Property or any material taken from the Agency Property pursuant to the License.

Nothing in this Section shall be construed to mean that Developer shall hold the Indemnitees harmless and/or defend them to the extent of any claims arising from, or alleged to arise from the sole negligence or willful misconduct of any of the Indemnitees. The Agency and City agree that they shall fully cooperate with Developer in the defense of any matter in which Developer is defending and/or holding the Indemnitees harmless. The Agency and City may make all reasonable decisions with respect to their representation in any legal proceeding, including, but not limited to, the selection of attorney(s). This indemnity obligation shall survive the termination of this Agreement. Notwithstanding the foregoing, Developer shall have no obligation to indemnify an Indemnified Party for loss, liability, claims, damages and expenses arising solely from Developer's discovery of Hazardous Materials already present on the Agency Property prior to the commencement of this License, so long as Developer has not materially contributed to the placement, release or migration of such pre-existing Hazardous Materials.

(b) To fully and finally release the Indemnified Parties from any and all claims, demands, actions, or suits of any kind or nature arising out of any liability, known or unknown, present or future, including, but not limited to, rights or claims for implied contribution or indemnity, or any claim or liability based or asserted pursuant to any law or ordinance which seeks to impose any liability or damage whatsoever upon any Indemnified Party arising from the execution and/or performance of this License Agreement, or from any of its terms.

In connection with the foregoing release, Developer hereby acknowledges that it has been advised by legal counsel and is familiar with the provisions of California Civil Code, section 1542, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

Developer, being aware of such code section, agrees to expressly waive any rights it may have thereunder, as well as under any other statute or common law principles of similar effect.

Agency's Initials

Developer's Initials

11. Insurance.

(a) Developer shall maintain or cause to be maintained Commercial General liability insurance, to protect against loss from liability imposed by law for damages on account of Bodily injury, including death therefrom, suffered or alleged to be suffered by any person or persons whomsoever on or about the Agency Property, resulting directly or indirectly from any acts or activities of Developer, or any person acting for Developer, or under its respective control

or direction, and also to protect against loss from liability imposed by law for damages to any property of any person occurring on or about the Agency Property, or in connection with Developer's activities thereon, caused directly or indirectly by or from acts or activities of Developer, or any person acting for Developer, or under its control or direction. Such property damage and personal injury insurance shall also provide for and protect the Agency against incurring any legal cost in defending claims for alleged loss. Such personal injury and property damage insurance shall be maintained in full force and effect during the Term in the following amounts: commercial general liability in a general aggregate amount of not less than Two Million Dollars (\$2,000,000); and a per occurrence limit not less than One Million Dollars (\$1,000,000) of bodily injury and property damage insurance. Developer agrees that provisions of this paragraph as to maintenance of insurance shall not be construed as limiting in any way the extent to which Developer may be held responsible for the indemnification of Agency or the payment of damages to persons or property resulting from Developer's activities, or the activities of any other person or persons for which Developer is otherwise responsible.

(b) Developer shall maintain or cause to be maintained workers' compensation insurance issued by a responsible carrier authorized under the laws of the State of California to insure employers against liability for compensation under the workers' compensation laws now in force in California, or any laws hereafter enacted as an amendment or supplement thereto or in lieu thereof. Such workers' compensation insurance shall cover all persons employed by Developer in connection with the Agency Property and shall cover liability within statutory limits for compensation under any such act aforesaid, based upon death or bodily injury claims made by, for or on behalf of any employee of Developer incurring or suffering injury or death in connection with the Agency Property or the operation thereof by Developer. Notwithstanding the foregoing, Developer may, in compliance with the laws of the State of California and in lieu of maintaining such insurance, self-insure for workers' compensation in which event Developer shall deliver to Agency evidence that such self-insurance has been approved by the appropriate State authorities.

(c) All policies shall name the Agency and the City of Culver City as additional insureds.

(d) All insurance provided under this section shall be for the benefit of Developer, Agency and City. Developer agrees to timely pay all premiums for such insurance and, at its sole cost and expense, to comply and secure compliance with all insurance requirements necessary for the maintenance of such insurance. Developer agrees to submit policies of all insurance required by this section, or certificates evidencing the existence thereof, and additional insured endorsements to Agency not less than 15 days prior to its commencement of any activities on the Agency Property, indicating full coverage of the contractual liability imposed hereby. "Full coverage" for contractual liability in this section (d) is defined as the coverage grant under the ISO CG 0001 policy form definition of an "insured contract." All insurance herein provided for shall be effected under policies issued by insurers of recognized responsibility, licensed and admitted to do business in the State of California (or if not admitted in California shall have a "General Policyholders Rating" of at least "A-" as set forth in the most current issue of "Best's Key Rating Guide"), reasonably approved by Agency. All policies or

certificates of insurance shall provide that such policies shall not be canceled or limited in any manner without at least thirty (30) days prior written notice to Agency.

(e) The evidence of insurance required hereunder is a condition precedent to Developer's right to enter upon the Agency Property. If Developer fails or refuses to procure or maintain the insurance required by this Agreement, the License granted by this Agreement shall automatically terminate and be of no further force or effect.

12. Agency's Authorized Representative.

Unless otherwise specified or the context requires otherwise, all references to the Agency in this Agreement and its attachments shall mean the Executive Director of the Agency or any officer or employee of the Agency to whom the Executive Director or the Board of the Agency delegates authority to perform, carry out and/or enforce this Agreement. Unless otherwise specified or the context requires otherwise, all references to the Agency Executive Director shall mean the Executive Director or his or her designee.

13. Notices, Demands And Communications Between The Parties.

Formal notices, demands and communications between the Agency and Developer 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 Developer. Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail. Any notice that is transmitted by electronic facsimile transmission followed by delivery of a "hard" copy, shall be deemed delivered upon its transmission; any notice that is personally delivered (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service), shall be deemed received on the documented date of receipt by the recipient; and any notice that is sent by registered or certified mail, postage prepaid, return receipt required shall be deemed received on the date of receipt thereof.

14. Conflict of Interest.

To the extent prohibited by law, no member, 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 the Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested.

Developer warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement.

15. Non-liability of Officials and Employees.

(a) No member, official or employee of the City or the Agency shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by the Agency or for any amount which may become due to Developer or on any obligations

License Agreement
(11054-11056 West Washington Boulevard)

Page 6 of 9

under the terms of this Agreement. This release shall not apply in the event of fraud by the City or the Agency or any member, officer or employee thereof.

(b) No member, official or employee of Developer shall be personally liable to the Agency, or any successor in interest, in the event of any default or breach by Developer or for any amount which may become due to the Agency or its successor or on any obligations under the terms of this Agreement. This release shall not apply in the event of fraud, waste or intentional damage by Developer or any member, official, or employee of Developer.

16. Interpretation of Agreement; Terminology; Application of Law.

This Agreement has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters addressed herein. In addition, each Party has been given the opportunity to consult with experienced and knowledgeable legal counsel. Accordingly, any rule of law (including Civil Code section 1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the Party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effectuate the purpose and intent of the parties to this Agreement. This Agreement shall be construed and enforced in accordance with the internal laws of California and not the law regarding conflict of laws, except to the extent that Federal law preempts State law

When the context so requires when used in this Agreement, the masculine gender shall be deemed to include the feminine and neuter gender and the neuter gender shall be deemed to include the masculine and feminine gender. When the context so requires when used in this Agreement, the singular shall be deemed to include the plural. The paragraph and section headings have been used for convenience only, and shall not be used in the interpretation hereof.

17. Waivers.

A waiver by the Agency or Developer of any term, covenant, or condition herein contained shall not be a waiver of such term, covenant, or condition on any subsequent breach. All waivers must be in writing and signed by the appropriate representatives of the Agency or Developer.

18. Time of the Essence.

Time is of the essence in this Agreement and each and all of its provisions in which performance is a factor.

19. Attorneys' Fees and Costs.

If any action or proceeding is brought by any Party against any other Party under this Agreement, whether for interpretation, enforcement or otherwise, the prevailing Party shall be entitled to recover all costs and expenses, including the reasonable fees of its attorney and any expert witnesses in such action or proceeding. This provision shall also apply to any post-judgment action by either Party, including without limitation efforts to enforce a judgment.

20. Severability.

Any provision of this Agreement that shall prove to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

21. Entire Understanding Of The Parties; Amendments.

This Agreement, including any document or instrument incorporated herein by reference, contains a complete and final expression of the agreement between the Agency and Developer relating to this License, and there are no promises, representations, agreements, warranties, or inducements either express or implied other than as are set forth in this Agreement. Any and all previous discussions or agreements between the Agency and Developer with respect to this License, whether oral or written, are superseded by this Agreement. No amendment, change, or addition to, or waiver of termination of, this Agreement or any part hereof shall be valid unless in writing and signed by the Agency and Developer.

22. No Third Party Beneficiaries.

The parties to this Agreement acknowledge and agree that the provisions of this Agreement are for the sole benefit of the Agency and the Developer, and not for the benefit, directly or indirectly, of any other person or entity, except as otherwise expressly provided herein.

23. Further Assurances.

Each of the parties hereto shall execute and deliver any and all additional papers, documents and other assurances, and shall do any and all necessary acts and things in connection with the performance of their obligations hereunder and to carry out the intent and agreements of the parties.

24. Execution in Counterparts.

This Agreement may be executed in several counterparts and all such executed counterparts shall constitute one agreement, binding on all of the parties hereto, notwithstanding that all of the parties hereto are not signatories to the original or to the same counterpart. This Agreement shall not be binding unless and until all parties hereto have executed this Agreement.

25. Authority to Sign.

The Developer represents and warrants that it has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective Party.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first written above.

**CULVER CITY REDEVELOPMENT
AGENCY**

Dated: _____

By: _____
John M. Nachbar
Executive Director

APPROVED AS TO FORM:
KANE, BALLMER & BERKMAN

By: _____
Murray O. Kane
General Counsel

**LOS ANGELES HOUSING PARTNERSHIP,
INC., a California non-profit public benefit
corporation**

Dated: _____

By: _____
Mary Silverstein,
President and Executive Director

EXHIBIT A

LEGAL DESCRIPTION OF SITE

THAT REAL PROPERTY LOCATED IN THE CITY OF CULVER CITY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOTS 4, 5, 6, 7 AND 8 OF TRACT NO. 9648, IN THE CITY OF CULVER CITY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 142, PAGES(S) 13 TO 15 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 4213-007-900

And

LOT 3 OF TRACT 9648, AS SHOWN ON A MAP RECORDED IN BOOK 142, PAGES 13, INCLUSIVE OF MISCELLANEOUS MAPS, RECORDS OF LOS ANGELES COUNTY, CALIFORNIA.

Assessor's Parcel Number 4213-007-901

EXHIBIT “B”
SITE MAP



License Agreement
(11054-11056 West Washington Boulevard)
Exhibit B - Site Map