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EXCLUSIVE NEGOTIATION AGREEMENT (Paskan Property)

THIS EXCLUSIVE NEGOTIATION AGREEMENT (this “**Agreement**”) is made and entered into as of this ____ day of _____, 2020, by and between THE CITY OF CULVER CITY, a charter city of the State of California (the “**City**”), and THE CENTER THEATRE GROUP OF LOS ANGELES, a California non-profit corporation (the “**Developer**”), collectively referred to as the “**Parties**”, with reference to the following:

RECITALS

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

WHEREAS, the Developer proposes to acquire and develop the Site for an arts-related use to be mutually agreed upon by the Parties (the “**Proposed Project**”); 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 (a “**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 AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES HEREBY 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. **SITE**

The Site is located at 9814 Washington Boulevard in the City of Culver City, State of California, within the Project Area.

Section 3. **PURPOSE OF AGREEMENT**

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

- (i) The disposition of the Site for redevelopment, in accordance with the Redevelopment Plan, for the development and construction of the Proposed Project.

(ii) The coordination of the planning, design and construction of the development of the Proposed Project to revitalize the Project Area, to maximize its compatibility with the abutting and adjacent uses (including but not limited to the Developer's existing theatre uses and rights with respect to the Site), and to minimize environmental, traffic and other impacts on the abutting and adjacent uses.

(iii) The responsibility for development costs of the Proposed Project. Neither the City, nor any of its 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. Developer may enter into agreements with one or more other developers with respect to development and other costs, all subject to the City's reasonable approval).

(iv) Financial consideration to the City for conveyance of fee title ownership of the Site to the Developer (or an entity affiliated with Developer) for purposes of redevelopment pursuant to, and in accordance with, the Community Redevelopment Law.

(v) Such other provisions regarding the participation and responsibilities of the Parties deemed necessary or advisable by 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 and the City's General Plan, completes the objectives of reanimating the Downtown area, and compliments the redevelopment activities already begun in the Downtown area.

C. Notwithstanding any provisions of this Section 3 of the Agreement, the Developer acknowledges and agrees that nothing in this Agreement shall obligate the City to approve a DDA or the Proposed Project or shall otherwise expressly or impliedly obligate the City 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 City shall be in the sole and absolute discretion of the City. 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 City (though nothing in this Agreement shall alter the existing rights Developer has with respect to the Site under existing agreements and reservations). The Parties in no way intend for this Agreement to impair the abilities of the City to exercise its independent, discretionary judgment with regard to a DDA and any and all portions of the Proposed Project. The Parties acknowledge that this Agreement does not obligate the Developer to develop the Proposed Project but does obligate the Developer to negotiate diligently and in good faith to prepare a DDA to be entered into by the Parties for the Proposed Project, as set forth in Section 4 of this Agreement, which DDA would obligate the Developer to develop (or cause the development of) the Proposed Project.

Section 4. EXCLUSIVE RIGHT TO NEGOTIATE

A. The City hereby grants to the Developer and the Developer hereby accepts this Agreement for a period of 360 calendar days, commencing on the date this Agreement is signed on behalf of the City, and continuing in full force and effect until expiration or earlier termination of this Agreement (the “**Term**”).

B. Subject to earlier termination of this Agreement, this Agreement shall remain in effect for the Term so long as the Developer has not committed an uncured breach of this Agreement.

C. The Parties agree, so long as this Agreement is effective and for the period set forth in this Section 4, to negotiate diligently and in good faith to prepare a DDA to be entered into by the Parties with regard to the objectives described above and the purposes of this Agreement. During the Term, the City agrees not to negotiate for the 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 development of the Site, or any portion thereof.

D. Subject to the reasonable approval of the City Manager or designee, the Term may be extended one or more additional times for a period not to extend beyond December 31, 2022.

E. If the Developer requests an extension of the Term of this Agreement beyond the terms described in Section 4(D) above, then any such extension shall be granted, if at all, in the City’s sole and absolute discretion.

F. If, upon the expiration of the Term of this Agreement, the Parties (which may include one or more other developers affiliated with Developer) 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 Site, and the City shall be free to negotiate with any other persons or entities with regard to all or any part of the Site.

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

CITY OF CULVER CITY,
a charter city of the State of California

Dated: _____

By: _____
John M. Nachbar
City Manager

APPROVED AS TO FORM:
KANE, BALLMER & BERKMAN
City Special Counsel

By: _____
Todd C. Mooney

THE CENTER THEATRE GROUP OF LOS ANGELES, a California non-profit corporation

Dated: _____

By: _____
Name: _____
Its: _____

Dated: _____

By: _____
Name: _____
Its: _____