

**OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE  
COMMERCE COMMUNITY DEVELOPMENT COMMISSION**

2535 COMMERCE WAY  
COMMERCE, CALIFORNIA 90040

323-722-4805

**NOTICE OF SPECIAL MEETING OF THE  
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE  
COMMERCE COMMUNITY DEVELOPMENT COMMISSION**

I, Lilia R. Leon, Chairperson, hereby call a Special Meeting of the Oversight Board of the Successor Agency to the Commerce Community Development Commission to be held on Wednesday, May 15, 2013, at 5:30 p.m. in the Council Chambers, City Hall, City of Commerce, 2535 Commerce Way, Commerce, California 90040.

Said meeting will be convened to consider and take action on the items set forth on the attached agenda.

Dated: May 9, 2013

  
Lilia R. Leon, Chairperson

ATTEST:

  
Linda Kay Olivieri, MMC, Secretary



**ALL ITEMS FOR CONSIDERATION BY THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION ARE AVAILABLE FOR PUBLIC VIEWING IN THE OFFICE OF THE OVERSIGHT BOARD SECRETARY AND THE CENTRAL LIBRARY**

**Agendas and other writings that will be distributed to the Board Members in connection with a matter subject to discussion or consideration at this meeting and that are not exempt from disclosure under the Public Records Act, Government Code Sections 6253.5, 6254, 6254.3, 6254.7, 6254.15, 6254.16, or 6254.22, are available for inspection following the posting of this agenda in the Oversight Board Secretary's Office, at Commerce City Hall, 2535 Commerce Way, Commerce, California, and the Central Library, 5655 Jillson Street, Commerce, California, or at the time of the meeting at the location indicated below.**

**AGENDA FOR THE SPECIAL MEETING OF  
THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO  
THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION**

**COUNCIL CHAMBERS  
CITY HALL, CITY OF COMMERCE  
5655 JILLSON STREET, COMMERCE, CALIFORNIA**

**WEDNESDAY, MAY 15, 2013 – 5:30 P.M.**

**CALL TO ORDER**

Chairperson Leon

**PLEDGE OF ALLEGIANCE**

Board Member Delawalla

**ROLL CALL**

Secretary Olivieri

**PUBLIC COMMENT**

**Citizens wishing to address the Oversight Board on any item on the agenda or on any matter not on the agenda may do so at this time. However, State law (Government Code Section 54950 et seq.) prohibits the Oversight Board from acting upon any item not contained on the agenda posted 72 hours before a regular meeting and 24 hours before a special meeting. Upon request, the Oversight Board may, in its discretion, allow citizen participation on a specific item on the agenda at the time the item is considered by the Oversight Board. Request to address Oversight Board cards are provided by the Secretary. If you wish to address the Oversight Board at this time, please complete a speaker's card and give it to the Secretary prior to commencement of the Oversight Board meeting.**

# **SPECIAL OVERSIGHT BOARD AGENDA**

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**Please use the microphone provided, clearly stating your name and address for the official record and courteously limiting your remarks to five (5) minutes so others may have the opportunity to speak as well.**

**To increase the effectiveness of the Public Comment Period, the following rules shall be followed:**

**No person shall make any remarks which result in disrupting, disturbing or otherwise impeding the meeting.**

**WRITTEN COMMUNICATIONS – None.**

**PRESENTATIONS – None.**

## **CONSENT CALENDAR**

**Items under the Consent Calendar are considered to be routine and may be enacted by one motion. Each item has backup information included with the agenda, and should any Board Member desire to consider any item separately he/she should so indicate to the Chairperson. If the item is desired to be discussed separately, it should be the first item under Scheduled Matters.**

### **1. Approval of Minutes**

The Oversight Board will consider for approval the minutes of the Special Meeting of Wednesday, February 27, 2013, held at 5:00 p.m.; Regular Meeting of Wednesday, March 6, 2013, held at 5:00 p.m.; Regular Meeting of Wednesday, April 3, 2013, held at 5:00 p.m. and Regular Meeting of Wednesday, May 1, 2013, held at 5:00 p.m.

## **SCHEDULED MATTERS**

### **2. Redevelopment – All Other Funds and Accounts Due Diligence Review**

The Oversight Board will review and consider for approval a report on one aspect of the end of redevelopment, highlighting the All Other Funds and Accounts Due Diligence Review as performed Mayer Hoffman McCann P.C., as part of AB 1X 26, and pursuant to *California Health and Safety Code* Section 34179.5(c) requiring each County Auditor-Controller to conduct, or cause to be conducted, agreed-upon procedures of each former Redevelopment Agency, and provide appropriate direction to staff with respect thereto.

## SPECIAL OVERSIGHT BOARD AGENDA

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3. Resolution No. OB 2013-02 – A Resolution of the Oversight Board of the Successor Agency to the Commerce Community Development Commission Approving a Purchase and Sale Agreement Between the Successor Agency and Costco Wholesale Corporation

On March 18, 2008, the former Commerce Community Development Commission and Costco Wholesale Corporation entered into a Disposition and Development Agreement (“DDA”) in order to develop certain property, known as the Costco Parcels, on the northeast corner of Washington Boulevard and Telegraph Road within the City of Commerce and to provide for the possible future development of a Satellite Parcel, comprising approximately .97 acres. Under the DDA, Costco was provided with the exclusive right and option to purchase the Satellite Parcel once the Commission completed a remediation plan for the clean-up of the parcel.

On December 26, 2012, Costco timely exercised the option to purchase the Satellite Parcel pursuant to the provisions of the DDA. On May 7, 2013, the Successor Agency approved a Purchase and Sale Agreement with Costco relating to the subject parcel.

The Oversight Board will consider for approval and adoption proposed Resolution No. OB 2013-02 approving a Purchase and Sale Agreement between the Successor Agency and Costco Wholesale Corporation relating to the Satellite Parcel.

4. Resolution No. OB 2013-03 – A Resolution of the Oversight Board of the Successor Agency to the Commerce Community Development Commission Approving a License and Hold Harmless Agreement Between the Successor Agency and Craig-Realty Group-Citadel LLC

The Successor Agency owns certain real properties commonly known as Lots 5 at 2322 Travers Avenue, Lot 6 at 2311 Travers Avenue and Lot 7 at 2240 Gaspar Avenue, all of PM 142-82-83 (the “Premises”). Craig Realty Group-Citadel LLC (“Craig Realty”) has requested permission from the Successor Agency to use the Premises for parking purposes for weekdays and weekends throughout the remainder of 2013 and for the first part of 2014. On May 7, 2013, the Successor Agency approved a License and Hold Harmless agreement with Craig Realty Group-Citadel LLC for the use of the subject property for parking purposes.

The Oversight Board will consider for approval and adoption proposed Resolution No. OB 2013-03 approving a License and Hold Harmless Agreement between the Successor Agency and Craig-Realty Group-Citadel LLC providing for the use of the subject property for parking purposes.

## SPECIAL OVERSIGHT BOARD AGENDA

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5. Resolution No. OB 2013-04 – A Resolution of the Oversight Board of the Successor Agency to the Commerce Community Development Commission Approving a License and Hold Harmless Agreement Between the Successor Agency and Tubeway Properties, LLC

On May 3, 2011, the former Commerce Community Development Commission (the “Commission”) entered into an Exchange Agreement with the California Commerce Club, Inc. (the “Casino”) relating to the exchange of certain property as follows: (1) the Commission acquired from the Casino real property comprised of a portion of industrial office space along Telegraph Road in an industrial center which was referred to as the “Spur Property” and (2) the Casino acquired from the Commission certain real property referred to as 2301 Tubeway Avenue, in the City of Commerce (the “2301 Property”). Pursuant to the Exchange Agreement, the Commission agreed to provide a stated number of parking spaces on Commission-owned property adjacent to the 2301 Property and make good efforts to facilitate additional parking spaces on the proposed Urban Entertainment Center Project site. The Casino, pursuant to the Exchange Agreement, assigned its rights and obligations thereunder to Tubeway Properties, LLC.

The Successor Agency owns certain property within the City of Commerce located immediately adjacent to the 2301 Property. On May 7, 2013, the Successor Agency approved a License and Hold Harmless Agreement with Tubeway Properties, LLC providing Tubeway Properties, LLC with temporary additional parking spaces and temporary exclusive use of a portion of the subject property.

The Oversight Board will consider for approval and adoption proposed Resolution No. OB 2013-04 approving a License and Hold Harmless Agreement between the Successor Agency and Tubeway Properties, LLC for the use of the subject property for parking purposes.

6. Resolution No. OB 2013-05 – A Resolution of the Oversight Board of the Successor Agency to the Commerce Community Development Commission Amending Resolution No. OB 2012-01, Establishing the Date, Time and Location of Oversight Board Meetings, and Changing the Regular Meeting Date and Time Thereof

The Oversight Board will consider for approval and adoption proposed Resolution No. OB 2013-05 amending Resolution No. OB 2012-01, establishing the date, time and location of Oversight Board meetings, and changing the regular meeting date and time to the second Wednesday of the month at 5:30 p.m.

# **SPECIAL OVERSIGHT BOARD AGENDA**

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## **7. Review of Future Agenda Items**

The Board will review, and provide direction as deemed appropriate with respect to, future agenda items for consideration by the Board.

## **STAFF REPORTS AND INFORMATION ITEMS**

## **CHAIR AND BOARD MEMBER REPORTS AND INFORMATION ITEMS**

## **RECESS TO CLOSED SESSION**

### **8. Pursuant to Government Code §54956.9(a),**

- A. The Oversight Board will confer with its legal counsel, and take the appropriate action, with respect to the pending litigation of Mayans Development, Inc. and Los Jardines, LLC v. City of Commerce Community Development Commission, or Successor Agency, et al., Superior Court of the State of California, County of Los Angeles, Case No. BC505679.

### **9. Pursuant to Government Code §54956.9(b),**

- A. The Oversight Board will confer with its legal counsel, and take the appropriate action, with respect to significant exposure to litigation in two potential cases.

## **ADJOURNMENT**

**LARGE PRINTS OF THIS AGENDA ARE AVAILABLE UPON REQUEST  
FROM THE OVERSIGHT BOARD SECRETARY'S OFFICE,  
MONDAY-FRIDAY, 8:00 A.M. - 6:00 P.M.**





# AGENDA REPORT

## OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION

DATE: May 15, 2013

TO: OVERSIGHT BOARD

FROM: SUCCESSOR AGENCY FINANCE DIRECTOR

SUBJECT: REDEVELOPMENT – ALL OTHER FUNDS AND ACCOUNTS DUE  
DILIGENCE REVIEWS

### RECOMMENDATION:

Review and approve a report on one aspect of the end of redevelopment, highlighting the All Other Funds and Accounts Due Diligence Review as performed Mayer Hoffman McCann P.C. – as part of AB 26, and pursuant to California Health and Safety Code Section 34179.5(c) requiring each County Auditor-Controller to conduct, or cause to be conducted, agreed-upon procedures of each former Redevelopment Agency, and provide appropriate direction to staff with respect thereto.

### MOTION:

Receive, review and approve the report so it can be transmitted to the Department of Finance and Los Angeles County Auditor-Controller.

### BACKGROUND:

On March 14, 1974, the City of Commerce City Council (the "City") established the Commerce Redevelopment Agency (the "Agency"). Thereafter, the City Council approved and adopted the Redevelopment Plans for Project Area No. 1, Project Area No. 2 (the Town Center Project), Project Area No. 3 (the Atlantic Washington Project) and Project Area No. 4 (collectively, the "Redevelopment Plans"), covering certain properties within the City (the "Project Areas").

On November 3, 1992, the City Council created the Commerce Community Development Commission (the "Commission"). The Commission is the successor-in-interest to the Agency and was engaged in various activities necessary to execute and implement the Redevelopment Plans pursuant to the provisions of the California Community Redevelopment Law (*Health and Safety Code* § 33000, *et seq.*) ("CRL").

As part of the 2011-12 State budget bill, the California Legislature enacted and the Governor signed companion bills, Assembly Bill X1 26 ("AB 26") and Assembly Bill X1 27 ("AB 27"), requiring that each redevelopment agency in the State be dissolved

unless the community exercised the option to continue with a modified form of redevelopment under AB 27.

Subsequently, the League of California Cities, the California Redevelopment Association and the cities of San Jose and Union City filed a lawsuit with the California Supreme Court, entitled California Redevelopment Association et al., v. Ana Matosantos, challenging the constitution of AB 26 and AB 27.

On December 29, 2011, the California Supreme Court upheld the constitutionality of AB 26 which abolished redevelopment agencies. The Supreme Court also held that AB 27 was unconstitutional. Thus, effective, February 1, 2012, redevelopment agencies throughout the State were abolished and cannot continue on with any redevelopment activities.

HSC Section 34179.5 requires each Successor Agency to employ a licensed accountant, approved by the county auditor-controller and with experience and expertise in local government accounting, to conduct a due diligence review to determine the unobligated balances available for transfer to taxing entities.

On January 8, 2013, the Oversight Board reviewed and approved the Due Diligence reviews of All Other Funds and Accounts, which was subsequently submitted to the LA County Auditor-Controller, the State Controller's Office and the Department of Finance prior to the deadline date of January 15, 2013.

#### ANALYSIS:

The purpose of the review was to determine the amount of cash and cash equivalents available for distribution to the affected taxing entities. Finance issued an OFA DDR determination letter on March 18, 2013. Subsequently, the City requested a Meet and Confer session on one or more items adjusted by Finance. The Meet and Confer session was held on April 8, 2013.

To summarize, the State allowed the Agency to retain \$9,060,697 to cover enforceable obligations as discussed below:

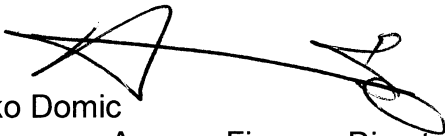
- July through December 2012 – Retain \$7,805,137
- January through June 2013 – Agency received sufficient funds from the RPTTF to cover all approved expenditures in the ROPSIII period and it is unnecessary for the Agency to retain current OFA balances. However, Finance approved \$200,000 to be expended from the OFA balances specific to the Agency's Costco DDA obligation that was funded through a separate process.
- For ROPS 13-14A, the Agency is requesting \$7,611,183 for obligations and \$240,404 for administrative costs from RPTTF. The CAC estimates that \$6,796,027 will be available to the Agency from RPTTF. This results in an

estimated shortfall of \$1,055,560. Therefore, the Agency may retain \$1,055,560 for the anticipated shortfall in the ROPS 13-14A period.

FISCAL IMPACT:

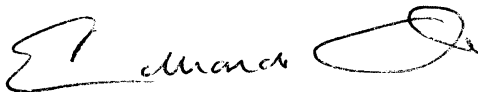
The Agency's OFA balance available for distribution to the affected taxing entities is \$335,784.

Respectfully submitted,



Vilko Domic  
Successor Agency Finance Director

Approved as to Form



Eduardo Olivo  
Successor Agency Legal Counsel



# AGENDA REPORT

## OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION

DATE: May 15, 2013

TO: HONORABLE OVERSIGHT BOARD

FROM: SUCCESSOR AGENCY FINANCE DIRECTOR

SUBJECT RESOLUTION NO. OB 2013-02 – A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION APPROVING A PURCHASE AND SALE AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND COSTCO WHOLESALE CORPORATION

### RECOMMENDATION:

Approve and adopt Resolution No. OB 2013-02 approving a Purchase and Sale Agreement between the Successor Agency and Costco Wholesale Corporation.

### BACKGROUND:

The Commerce Community Development Commission (the "Commission") had acquired certain real property within the area covered by the City of Commerce Specific Plan No. 4 comprised of approximately 13.5 acres of land at the northeast corner of Washington Boulevard and Telegraph Road (collectively, the "Square Block") situated in the City of Commerce, County of Los Angeles, State of California. The Square Block was then subdivided and comprised the "Costco Main Parcel," the "Costco Fueling Parcel" (collectively, the "Costco Parcels"), the "McDonald's Parcel" and the "Satellite Parcel".

The Satellite Parcel is located at Former Firestone No. 7182 (Priority A-2 Site), 6300 East Washington Boulevard, Commerce, California.

On March 18, 2008, the Commission and Costco entered into a Disposition and Development Agreement ("DDA") in order to develop the Costco Parcels and to provide for the possible future development of the Satellite Parcel, a parcel comprising of approximately .97 acres designated as Parcel 4 of the Redevelopment Parcel Map and by such name on the Redevelopment Site Map.

Pursuant to Section 16.3 of the DDA, the Commission and Buyer acknowledged the existence of soils located on the Satellite Parcel, and underlying groundwater, that were contaminated with hydrocarbons, (predominantly gasoline-range, and including volatile organic compounds [VOCs] and other related substances), and that the Los Angeles Regional Water Quality Control Board ("LARWQCB") or California Department of Toxic Substance Control ("Environmental Agency") had primary jurisdiction over the remediation

of such contamination (together with any other agency with jurisdiction the “Environmental Agency”). The Commission agreed to develop and complete a remediation plan for the clean-up of hydrocarbon-containing soil and groundwater that would comply with Environmental Agency’s requirements regarding the contamination and to then obtain the issuance by the Environmental Agency.

Pursuant to Section 24.1 of the DDA, the Commission provided Costco with the exclusive right and option to purchase the Satellite Parcel once the Commission completed the remediation of the site and received the No-Action letter from the Environmental Agency.

On June 15, 2011, the California Legislature approved Assembly Bill 1X 26, which terminated redevelopment agencies throughout the state, including the Commission and provided for the establishment of successor agencies to administer the “enforceable obligations” of the redevelopment agencies. On January 17, 2012, the City of Commerce became the Successor Agency to the Commission.

Health & Safety Code § 34171 (5) defines an “enforceable obligation” to include: “Any legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy.”

On July 2, 2012, the Successor Agency received a No-Further Action Letter from the Department of Toxic Substances and Control.

On August 1, 2012, the Successor Agency notified Costco of the receipt of the No-Further Action Letter. On December 26, 2012, Costco timely exercised the option to purchase the Satellite Parcel pursuant to Section 24.1 of the DDA.

On May 7, 2013, this matter was approved by the Successor Agency. Pursuant to AB 26, this matter must also be approved by the Oversight Board. Successor Agency staff recommends that the Oversight Board approve the purchase and sale agreement at this time.

ANALYSIS:

Pursuant to the Purchase and Sale Agreement, the Successor Agency will accept for the Satellite Parcel the sum of One Million Dollars (\$1,000,000) as consideration. The purchase and sale transaction provided for in this agreement will close not later than Friday, June 28, 2013.

FISCAL IMPACT:

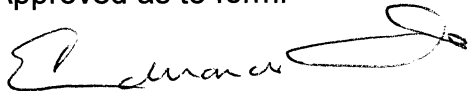
None.

Recommended by:



Vilko Domic  
Successor Agency Finance Director

Approved as to form:



Eduardo Olivo  
Successor Agency Legal Counsel

Attachment: Resolution No. OB 2013-02 approving a Purchase and Sale Agreement  
between the Successor Agency and Costco Wholesale Corporation





RESOLUTION NO. OB 2013-02

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO  
THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION APPROVING A  
PURCHASE AND SALE AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND  
COSTCO WHOLESALE CORPORATION

WHEREAS, the Commerce Community Development Commission (the "Commission") had acquired certain real property within the area covered by the City of Commerce Specific Plan No. 4 comprised of approximately 13.5 acres of land at the northeast corner of Washington Boulevard and Telegraph Road (collectively, the "Square Block") situated in the City of Commerce, County of Los Angeles, State of California. The Square Block was then subdivided and comprised the "Costco Main Parcel," the "Costco Fueling Parcel" (collectively, the "Costco Parcels"), the "McDonald's Parcel" and the "Satellite Parcel"; and

WHEREAS, the Satellite Parcel is located at Former Firestone No. 7182 (Priority A-2 Site), 6300 East Washington Boulevard, Commerce, California; and

WHEREAS, on March 18, 2008, the Commission and Costco entered into a Disposition and Development Agreement ("DDA") in order to develop the Costco Parcels and to provide for the possible future development of the Satellite Parcel, a parcel comprising of approximately .97 acres; and

WHEREAS, pursuant to Section 16.3 of the DDA, the Commission and Buyer acknowledged the existence of soils located on the Satellite Parcel, and underlying groundwater, that were contaminated with hydrocarbons. The Commission agreed to develop and complete a remediation plan for the clean-up of hydrocarbon-containing soil and groundwater that would comply with requirements regarding the contamination and to then obtain the issuance of a No-Action letter from the environmental agencies with jurisdiction over the clean-up; and

WHEREAS, pursuant to Section 24.1 of the DDA, the Commission provided Costco with the exclusive right and option to purchase the Satellite Parcel once the Commission completed the remediation of the site and received the No-Action letter; and

WHEREAS, on June 15, 2011, the California Legislature approved Assembly Bill 1X 26, which terminated redevelopment agencies throughout the state, including the Commission and provided for the establishment of successor agencies to administer the "enforceable obligations" of the redevelopment agencies; and

WHEREAS, on January 17, 2012, the City of Commerce became the Successor Agency to the Commission ("Successor Agency"); and

WHEREAS, Health & Safety Code § 34171 (5) defines an “enforceable obligation” to include: “Any legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy”; and

WHEREAS, on July 2, 2012, the Successor Agency received a No-Further Action Letter from the Department of Toxic Substances and Control; and

WHEREAS, on August 1, 2012, the Successor Agency notified Costco of the receipt of the No-Further Action Letter. On December 26, 2012, Costco timely exercised the option to purchase the Satellite Parcel pursuant to Section 24.1 of the DDA; and

WHEREAS, on May 7, 2013, this matter was approved by the Successor Agency. Pursuant to AB 26, this matter must also be approved by the Oversight Board.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The Purchase and Sale Agreement between the Successor Agency to the Commerce Community Development Commission and Costco Wholesale Corporation is hereby approved.

Section 2. The Oversight Board’s Secretary shall certify to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 15<sup>th</sup> day of May, 2013.

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Lilia R. Leon  
Oversight Board Chairperson

ATTEST:

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Linda Kay Olivieri, MMC  
Oversight Board Secretary

**AGREEMENT TO PURCHASE AND SELL REAL ESTATE  
AND ESCROW INSTRUCTIONS**

THIS AGREEMENT TO PURCHASE AND SELL REAL ESTATE (this "Agreement") is made, entered into and executed in duplicate originals, either copy of which may be considered and used as the original hereof for all purposes, as of this **April 26, 2013** (the "Effective Date"), and is entered into by and between the City of Commerce, as the Successor Agency to the Commerce Community Development Commission ("Successor Agency" or "Seller"), and Costco Wholesale Corporation, a Washington Corporation ("Buyer").

**RECITALS**

WHEREAS, the Commerce Community Development Commission (the "Commission") had acquired certain real property within the area covered by the City of Commerce Specific Plan No. 4 comprising of approximately 13.5 acres of land at the northeast corner of Washington Boulevard and Telegraph Road (collectively, the "Square Block") situated in the City of Commerce, County of Los Angeles, State of California. The Square Block was then subdivided and comprised the "Costco Main Parcel," the "Costco Fueling Parcel" (collectively, the "Costco Parcels"), the "McDonald's Parcel" and the "Satellite Parcel" designated Parcels 1 through 4 respectively on the Redevelopment Parcel Map attached hereto as Exhibit "A" and as shown on the Redevelopment Site Map attached hereto as Exhibit "B". Exhibits "A" and "B" are attached hereto and incorporated herein by reference; and

WHEREAS, on March 18, 2008, the Commission and Buyer entered into a Disposition and Development Agreement (the "DDA") in order to develop the Costco Parcels and to provide for the possible future development of the Satellite Parcel, a parcel comprising approximately .97 acres designated as Parcel 4 on the Redevelopment Parcel Map and by such name on the Redevelopment Site Map; and

WHEREAS, pursuant to Section 16.3 of the DDA, the Commission and Buyer acknowledged the existence of soils located on the Satellite Parcel, and underlying groundwater, that were contaminated with hydrocarbons, (predominantly gasoline-range, and including volatile organic compounds [VOCs] and other related substances), and that the Los Angeles Regional Water Quality Control Board ("LARWQCB") or California Department of Toxic Substances Control ("Environmental Agency") had primary jurisdiction over the remediation of such contamination (together with any other agency with jurisdiction the "Environmental Agency"). The Commission agreed to develop and complete a remediation plan for the clean-up of hydrocarbon-containing soil and groundwater that would comply with Environmental Agency's requirements regarding the contamination and to then obtain the issuance by the Environmental Agency; and

WHEREAS, pursuant to Section 24.1 of the DDA, the Commission provided Costco with the exclusive right and option to purchase the Satellite Parcel once the Commission completed the remediation of the site and received the No-Action Letter from the Environmental Agency; and WHEREAS, on June 15, 2011, the California Legislature approved Assembly Bill X1 26 ("AB 26"), which terminated redevelopment agencies throughout the state, including the

Commission, and provided for the establishment of successor agencies to administer the “enforceable obligations” of the redevelopment agencies; and

WHEREAS, on January 17, 2012, the City of Commerce became the Successor Agency to the Commission; and

WHEREAS, Health & Safety Code § 34171 (5) defines an “enforceable obligation” to include: “Any legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy”; and

WHEREAS, on July 2, 2012, the Successor Agency received a No-Further Action Letter from the Department of Toxic Substances and Control; and

WHEREAS, on August 1, 2012, the Successor Agency notified Costco of the receipt of the No-Further Action Letter. On December 26, 2012, Costco timely exercised the option to purchase the Satellite Parcel pursuant to Section 24.1 of the DDA.

## AGREEMENT

### 1. PROPERTY

Seller agrees to sell, transfer, and convey to Buyer, and Buyer agrees to purchase from Seller, upon the terms, provisions and conditions hereinafter set forth, all of Seller’s rights, interest, and title in and to Seller’s property commonly known as Satellite Parcel (as defined in the DDA) and more particularly described in the legal description attached hereto as Exhibit “C” and incorporated by reference (hereinafter, the “Property”).

### 2. PURCHASE PRICE

(a) The purchase price that the Seller agrees to accept for the Property and which Buyer agrees to pay therefor was established in Section 24.3 of the DDA in the sum of One Million Dollars and No Cents (\$1,000,000.00) (the “Purchase Price”). The Purchase Price shall be payable as follows: Concurrently with the execution of this Agreement, Buyer and Seller shall open an escrow (the “Escrow”) with the Escrow Agent (defined below). At the Closing (defined below), on the Closing Date, the Purchase Price shall be paid by Buyer in cash through Escrow.

(b) Earnest Money. In consideration of this Agreement and to bind this sale and secure the performance of Buyer hereunder, Buyer shall deposit with Escrow Agent upon execution of this Agreement by Buyer, the sum of One Hundred Thousand Dollars and No Cents (\$100,000.00), (the "Earnest Money"). Concurrently with the execution of this Agreement, Buyer and Seller shall open an escrow (the “Escrow”) with the Escrow Agent (defined below). Interest on the Earnest Money shall accrue for the benefit of, and shall be paid, together with the balance of the Earnest Money to the party entitled thereto in accordance with this Agreement (for application against the Purchase Price or returned to Buyer, as appropriate).

3. CONVEYANCE OF TITLE

At Closing, Seller shall convey by Grant Deed to Buyer marketable fee simple title to the Property free and clear of all recorded and unrecorded liens, encumbrances and defects, including assessments, leases and taxes, EXCEPT the "Permitted Exceptions" (as defined in the DDA).

4. FORM OF GRANT DEED

Seller shall convey the Property to Developer by a Grant Deed substantially in the form attached hereto as Exhibit "D."

5. ESCROW

Buyer and Seller shall open an escrow in accordance with this Agreement at Ticor Title Company, located at 21731 Ventura Boulevard, Suite 100, Woodland Hills, California 91634, (818) 449-3000, Attention: Mike Mahoney, or in his or her absence, another title officer at Ticor Title designated by Seller ("Escrow Agent"). This Agreement constitutes the joint escrow instructions of Buyer and Seller, and Escrow Agent to whom these instructions are delivered is hereby empowered to act under this Agreement.

6. ESCROW AGENT

Escrow Agent is authorized to:

- (a) Pay and charge the Seller:
  - (i) for any delinquent taxes;
  - (ii) for any penalties and interest thereon;
  - (iii) for any delinquent or non-delinquent assessments for bonds against the Property and for any amount necessary to place title in the condition necessary to satisfy Section 3 of this Agreement;
  - (iv) for documentary transfer taxes applicable to the sale;
  - (v) for fifty percent (50%) of escrow fees; and
  - (vi) for an amount equal to the standard and extended premiums charged to the Title Company for a CLTA Title Policy with a face amount of insurance equal to the purchase price of the Property.

(b) Pay and charge the Buyer for fifty percent (50%) of escrow fees, as well as charges, and costs, except taxes.

(c) Disburse funds and deliver the Grant Deed when conditions of this escrow have been fulfilled by the Buyer and Seller.

7. [INTENTIONALLY OMITTED.]

8. TITLE INSURANCE POLICY

At Closing, Escrow Agent shall provide Buyer with a CLTA Extended Coverage Policy of Title Insurance in the full amount of the Purchase Price, issued by the Title Company showing title to the Property vested in Buyer, subject only to the Permitted Exceptions (as defined in the DDA). Seller agrees to pay the premium charged therefor.

9. ENVIRONMENTAL AND TITLE CONDITIONS

(a) Hazardous Materials. For purposes of this Agreement, the term “Hazardous Materials” means: (i) Substances that are toxic, corrosive, flammable or ignitable; (ii) petroleum products, crude oil (or any fraction thereof) and their derivatives; (iii) explosives, asbestos, radioactive materials, hazardous wastes, toxic substances or related hazardous materials; (iv) noxious fumes, vapors, soot or smoke; and (v) substances which now or in the future are defined or regulated by any Environmental Laws as “hazardous”, “hazardous substances”, “hazardous materials”, “hazardous wastes”, “reproductive toxins”, “toxins”, “toxic”, “toxic substances”, “contaminants”, “contamination”, “pollutants”, “pollution”, or otherwise, or are listed, regulated or addressed under any Environmental Laws. For purposes of this Agreement, the term “Environmental Laws” means: all laws pertaining to Hazardous Materials, including, without limitation the following laws: 15 U.S. Code Section 2601, et seq. (the Toxic Substances Control Act); 33 U.S. Code Section 1251, et. seq. (the Clean Water Act); 42 U.S. Code Sections 6901, et. seq. (the Resource Conservation and Recovery Act); 42 U.S. Code Sections 7401, et. seq. (the Clean Air Act); 42 U.S. Code Sections 9601, et. seq. (the Comprehensive Environmental Response, Compensation and Liability Act); 49 U.S. Code Sections 1801, et. seq. (the Hazardous Materials Transportation Act); 33 U.S.C. sections 2701, et. seq. (the Oil Pollution Act); California Health & Safety Code (“H&S Code”) Section 25100, et. seq. (Hazardous Waste Control); H&S Code Section 25300, et. seq. (the Hazardous Substance Account Act); H&S Code Section 25404 et. seq. (Unified Hazardous Waste and Hazardous Materials Management Regulatory Program); H&S Code Section 25531, et. seq. (Hazardous Materials Management); H&S Code section 25249.5, et. seq.(the California Safe Drinking Water and Toxic Enforcement Act); H&S Code section 25280, et. seq. (Underground Storage of Hazardous Substances); H&S Code 25170.1, et. seq. (the California Hazardous Waste Management Act); H&S Code section 25501, et. seq. (Hazardous Materials Response Plans and Inventory); H&S Code Section 18901 et. seq. (California Building Standards); California Water Code Section 13000, et. seq. (the Porter-Cologne Water Quality Control Act); California Fish and Game Code Sections 5650-5656; local fire codes; the regulations adopted and promulgated pursuant to such statutes, and any regulations adopted pursuant to such statutes after the Effective Date, as well as any subsequently enacted Federal or California statute relating to the use, or disposal of Hazardous

Materials, or to the Clean Up of air, surface waters, groundwater, soil or other media contaminated with such substances, together with the rules and regulations promulgated thereunder, and any and all formal or informal orders, decrees or requests from any public agency with regulatory authority over the Property.

(b) Buyer's Assessment. Beginning on the Effective Date and ending at 5:00 p.m. PST on the Closing Date (the "Assessment Period"), Seller will grant permission to Buyer and its agents to enter upon the Property, subject to reasonable notice to and approval by Seller, to visually inspect all aspects of the Property, including, without limitation, consistency with zoning and use limitations, the existence and availability of utility connections, surface and environmental conditions, compliance or consistency with permits, approvals, and to obtain all entitlements in connection with the Buyer's anticipated development of the Property. No invasive or subsurface testing of soil or groundwater at the Property may be conducted by Buyer without the express written consent of Seller, which may be subject to limitations or conditions at Seller's sole discretion. After conducting any assessment at or of the Property, Buyer, at its sole expense, shall restore the Property to the condition that it was in prior to such assessment, unless expressly permitted by Seller in writing. Buyer shall be solely responsible for all costs, fees, and liabilities associated with its investigation and review of the Property, and shall indemnify and hold harmless Seller from and against such costs, fees, and liabilities. All activities conducted by or on behalf of Buyer as part of Buyer's assessment shall be conducted in accordance with all applicable laws. Prior to any entry by Buyer or any Buyer Representatives onto the Property for the purposes of such inspections, Buyer shall provide to Seller evidence satisfactory to Seller that Buyer has in force adequate liability and worker's compensation insurance with coverage of not less than One Million Dollars (\$1,000,000.00), naming Seller as an additional insured, to protect Seller against any and Claim which may occur as a result of any activity of Buyer or Buyer's agent or representative on the Property. The foregoing shall not limit or release Buyer's indemnification obligations as otherwise set forth in this Agreement.

(c) Buyer shall furnish copies of all reports, including all data relating to the Property, to Seller at Buyer's expense. Seller acknowledges and agrees that in the course of Buyer's investigation, Buyer and/or its agents may contact other parties, including without limitation, other governmental agencies, to obtain information about the Property. Seller further acknowledges and agrees that Buyer and/or its agents may comply with any reporting requirement contained in any federal, state or local law concerning Hazardous Materials.

## 10. REGULATORY STATUS

(a) Newly Discovered Matters. If any environmental condition is discovered subsequent to the Effective Date of this Agreement, and prior to Closing which (i) consists of a Hazardous Material present on the Property which was not previously disclosed, referenced or discernible from the materials and documents contained in the Environmental Reports or other materials made available by Seller to Buyer (a "Newly Discovered Matter"); and (ii) renders the environmental condition of the Property reasonably and materially unsatisfactory to Buyer, Buyer shall provide written notice to Seller of the Newly Discovered Matter that is unsatisfactory.

(b) Buyer's Right to Terminate Agreement. Buyer shall have the right to terminate the Agreement and withdraw from this transaction prior to the Closing, with the return to Buyer of the Earnest Money (including accrued interest) and any other Deposits, in the event a Newly Discovered Matter exists which Seller has elected not to remedy and Buyer notifies Seller in writing of its intent to terminate the Agreement pursuant to this Paragraph.

(c) Seller's Right of Entry. Seller, and Seller's agents, representatives, contractors and consultants shall have the right to enter upon the Property after the Closing Date established pursuant to Section 14 of this Agreement for the purpose of performing any site assessment or site remedial action.

## 11. REPRESENTATIONS AND WARRANTIES

(a) Buyer's Representations and Warranties. Buyer represents and warrants to Seller as follows:

(i) Buyer is a Corporation, duly organized and validly existing and in good standing under the laws of the State of Washington, and in good standing and qualified to transact business in the State of California.

(ii) Buyer has appropriated or will promptly take all reasonable steps to appropriate the funds, including the Purchase Price, necessary for completion of the transactions contemplated by this Agreement.

(iii) This Agreement and all documents executed by Buyer in connection with this Agreement which are to be delivered to Seller at Closing are, or at the time of Closing will be, duly authorized, executed and delivered by Buyer, and are, or at Closing will be, legal, valid and binding obligations of Buyer and do not, and at the time of Closing will not, violate any provisions of any agreement or judicial order to which Buyer is a party or to which Buyer is subject.

(iv) None of the following has occurred with respect to Buyer: (1) the commencement of a case under any federal or state bankruptcy, insolvency or similar law; (2) the appointment of a trustee or receiver of any property interest; (3) an assignment for the benefit of creditors; (4) an attachment, execution or other judicial seizure of a substantial property interest; or (5) the taking of, failure to take, or submission to any action indicating an inability to meet its financial obligations as they accrue.

(v) Seller is not a "foreign person" within the meaning of Section 1445(e) (3) of the Internal Revenue Code of 1986, as amended.

(b) Seller's Representations and Warranties. Seller represents and warrants to Buyer as follows:

(i) Seller is a public agency established pursuant to Assembly Bills 1X 26 and 1484 and is validly existing and in good standing under the laws of the State of California, and, subject



to subsection (ii) below, Buyer has the full power and authority to enter into, be bound by and comply with the terms of this Agreement and has or will seek to obtain all necessary consents and approvals to enter into and consummate the transactions contemplated by this Agreement.

(ii) Seller has disclosed to Buyer and Buyer is aware that the State of California has enacted AB 26 and AB 1484, which provided for the termination of redevelopment and requires that the successor agencies for all redevelopment agencies throughout the State of California, including Seller, take certain actions and comply with the various provisions of such laws in connection with the disposal of redevelopment assets and real properties. Seller has also disclosed to Buyer and Buyer is aware that: (1) the Property was owned by the Commission, which acted as the City of Commerce's redevelopment agency; (2) pursuant to AB 26, seller is the Successor Agency to the Commission; (3) as a matter of law, Seller became the owner of the Property after the passage of AB 26; (4) Seller is required to dispose of the Property pursuant to the terms of AB 26 and AB 1484; (5) pursuant to Health and Safety Code Section 34171, which was enacted pursuant to AB 26, Seller believes that the DDA and the option to purchase the Property are "enforceable obligations" that are binding on the Successor Agency; (6) pursuant to AB 26 Seller, the Successor Agency is required to obtain approval of this Agreement by the Oversight Board for the Successor Agency; and (7) pursuant to AB 26, after the Successor Agency obtains approval by the Oversight Board, the Department of Finance will have 5 days to object to the transaction.

(iii) Subject to subsection (ii) above, this Agreement and all documents executed by Seller in connection with this Agreement which are to be delivered to Buyer at Closing, are or at the time of Closing will be, duly authorized, executed and delivered by Seller, and are, or at Closing will be, legal, valid and binding obligations of Seller and do not, and at the time of Closing will not, violate any provisions of any agreement or judicial order to which Seller is a party or to which Seller is subject.

(iv) Seller is not a "foreign person" within the meaning of Section 1445(e) (3) of the Internal Revenue Code of 1986, as amended.

(v) To Seller's actual knowledge, there are no pending legal actions or arbitrations, at law or in equity, affecting the Property.

(vi) To Seller's actual knowledge, Seller has not received written notice from any governmental authority of any pending condemnation against any of the Property.

(c) Seller's Knowledge. The term "Seller's actual knowledge", Seller's "knowledge" or words of similar intent shall mean the current actual personal knowledge of, and only of Seller's Assistant Director of Community Development and City Administrator, with no imputation of knowledge and no duty of investigation or inquiry. The individuals described above shall have no personal liability under this Agreement by virtue of acting as a representative of the Seller for the purpose of this definition.

(d) AS-IS Sale; Disclaimer of Seller Representations and Warranties. Except as specifically stated in this Agreement, neither Seller nor any advisor, officer, director, trustee,

member, employee, agent, attorney or contractor thereof or therefor (individually and collectively, the "Seller Parties") is making or shall be deemed to have made, nor does any Seller Party have the authority to make, any express or implied representation or warranty of any kind or nature as to the Property or the transaction contemplated in this Agreement, including, without limitation, (i) the financial status of the Property, including without limitation, income or expenses generated, paid or incurred in connection with the Property, (ii) the nature, physical or environmental condition, safety or any other aspect of the Property or the Property's compliance with applicable laws, ordinances, rules and regulations, including, without limitation, zoning ordinances, building codes (including, without limitation, the Americans with Disabilities Act) and environmental, hazardous material and endangered species statutes, (iii) the accuracy or completeness of any information or data provided or to be provided by Seller Parties, including, without limitation, copies of any reports or documents prepared for Seller Parties whether by third parties or otherwise which may be included with such information, or (iv) any other matter relating to the Property or Seller. Without limiting the foregoing, Buyer hereby acknowledges that, except as expressly provided in this Agreement or any of the documents to be executed and delivered by Seller to Buyer at Closing, the Property will be sold to Buyer "AS IS", "WHERE IS" and "WITH ALL FAULTS." Except for the express Seller representations and warranties contained in this Agreement and the documents to be executed and delivered by Seller to Buyer at Closing, there are no representations and/or warranties, express or implied, made by Seller Parties in connection with the transactions contemplated in this Agreement. Buyer acknowledges and agrees that, except as otherwise stated in this subparagraph, (i) Buyer shall rely upon Buyer's own due diligence in determining whether the Property is suitable for purchase by Buyer; (ii) Buyer has been given a reasonable opportunity to inspect and investigate the Property, and all aspects relating thereto, either independently or through agents and experts of Buyer's choosing; (iii) Buyer is acquiring the Property based exclusively upon Buyer's own investigations and inspections thereof and the express representations and warranties of Seller contained in this Agreement and in the documents to be executed and delivered by Seller to Buyer at Closing; (iv) except as may be expressly otherwise provided in this Agreement, Seller has no obligation to repair or correct any facts, circumstances, conditions or defects or compensate Buyer therefor; and (v) except as may be expressly otherwise provided in this Agreement, by reason of all of the foregoing, Buyer shall assume the full risk of any loss or damage occasioned by any fact, circumstance, condition or defect pertaining to the Property. Subject to the foregoing, Buyer further agrees and acknowledges that:

(i) Buyer has, or by the expiration of the Assessment Period will have, with the assistance of such experts as Buyer has deemed appropriate, made such independent investigations and studies with respect to the Property as it deems appropriate (including, without limitation, in connection with physical and environmental matters), the transactions contemplated by the Agreement and all aspects thereof, including without limitation Hazardous Materials and endangered species, and it will be relying entirely thereon and on the advice of its counsel, advisers and consultants concerning the subject transactions. Except for Seller's express representations and warranties contained in this Agreement and in the documents to be executed and delivered by Seller to Buyer at Closing, Buyer is not relying and shall not rely on any investigation, study, projection or other information, economic, physical, environmental or otherwise, prepared by Seller Parties or any person or entity affiliated with Seller.

(ii) Buyer has, or by the expiration of the Assessment Period will have, with the assistance of such experts as Buyer has deemed appropriate, reviewed all instruments, records and documents concerning the Property which Buyer deems appropriate or advisable to review in connection with the transactions contemplated by the Agreement.

(iii) Buyer has, or by the expiration of the Assessment Period will have, with the assistance of such experts as Buyer has deemed appropriate, made such examinations and investigations as it deems appropriate with respect to the status of all circumstances concerning the zoning, land use controls, required permits, building code compliance, environmental, hazardous material and endangered species regulations and condition and other matters with respect to the Property and the development of the Property. Seller makes no representation or warranty regarding the permitted use of the Property. In particular, Seller makes no representation or warranty that the Property may continue to be used for its present uses, that the Property or any part thereof complies with any ordinances, codes or regulations or were or are properly permitted, the condition of or rights to ingress, egress or access to and from the Property, or the condition of or any rights with respect to the water courses traversing the Property.

(iv) Seller has made or will make available for Buyer's inspection copies of certain studies, reports and other information in Seller's possession applicable to the Property. By furnishing these materials neither Seller nor any Seller Party shall be deemed to have made any representation or warranty of any kind or nature whatsoever with respect to any matter set forth, contained or addressed in such materials, including but not limited to the accuracy, adequacy or completeness thereof. The Seller Parties, and the preparer of any such study, report, or information, shall incur no liability to Buyer by reason of furnishing any such information. Consequently, Buyer, for itself and its successors in interest, hereby releases the Seller Parties from, and waives all Claims against the Seller Parties for any and all statements or opinions now or hereafter made, or information now or hereafter furnished, by the Seller Parties to Buyer or its agents or representatives.

(v) Buyer further acknowledges that "Natural Hazards" described in the following California code sections (the "Natural Hazard Laws") may affect the Property: Government Code Sections 8589.4; 8589.3; Government. Code Sections 51183.4, 51183.5 (Fire Hazard Severity Zone); Public Resource Code Section 2621.9 (Earthquake Fault Zone); Public Resource Code Section 2694 (Seismic Hazard Zone); and Public Resource Code Section 4136 (Wildland Area). Buyer acknowledges and agrees that Buyer has had the opportunity to independently evaluate and investigate whether any or all of such Natural Hazards affect the Property and Seller shall have no liabilities or obligations with respect thereto. Without limiting the foregoing, Buyer acknowledges and agrees that Buyer knowingly and intentionally waives any disclosures, obligations or requirements of Seller with respect to Natural Hazards, including, without limitation, any disclosure obligations or requirements under the aforementioned code sections or under California Civil Code Section 1102. Buyer represents that Buyer has experience acquiring and conducting due diligence and that this waiver has been negotiated and is an essential aspect of the bargain between the parties.

(e) Release. Subject to the express covenants, representations and warranties of Seller as provided in this Agreement and in the documents to be executed and delivered by Seller to Buyer at Closing, upon Closing, Buyer shall assume the risk that adverse matters, including but not limited to, construction defects, adverse physical, environmental, hazardous materials, endangered species, zoning, access or water course issues or conditions, may not have been revealed by Buyer's investigations. Buyer realizes and acknowledges that factual matters now unknown to it may have given or may hereafter give rise to Claims which are presently unknown, unanticipated and unsuspected, and Buyer further agrees that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that Buyer nevertheless hereby intends to release, discharge and acquit Seller from any such unknown Claims. In furtherance of this intention, the Buyer hereby expressly waives any and all rights and benefits conferred upon it by the provisions of California Civil Code Section 1542, which provides as follows:

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

The Buyer acknowledges that the foregoing acknowledgments, releases and waivers including, without limitation, the waiver of the provisions of California Civil Code Section 1542 were expressly bargained for. The provisions of this Paragraph 10(e) shall survive the Closing. For purposes of this Agreement, the term Claims shall mean: any action, cause of action, claim, compensation, cost, damage, demand, directive, enforcement, expense, fee (including reasonable consultants' and attorneys' fees), fine, lawsuit, loss, order, penalty, proceeding, right, or any other form of cost or compensation whatsoever, including any government Claim.

(f) Indemnity. Buyer agrees to indemnify and hold Seller harmless from any and all Claims arising out of or in connection with the Property that arise on or after the Closing. As between Buyer and Seller, following the Closing, Buyer shall be solely responsible for, and shall indemnify, protect, defend (with counsel reasonably acceptable to Seller) and hold harmless Seller from and against, any and all Claims, direct or indirect, on account of or in any way arising out of or in connection with the presence or alleged presence of Hazardous Materials at, on, under, or emanating from the Property. The provisions of this Paragraph 10 (f) shall survive the Closing.

(g) No Discrimination. There shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, age marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the transferee, himself or herself or any person claiming under or through him or her establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, leases, subtenants, subleases or vendees of the land.

12. CONDITIONS PRECEDENT

(a) The obligation of Buyer under this Agreement is subject to the fulfillment or waiver by Buyer of the following:

(i) Delivery to Escrow Agent of the properly executed Grant Deed for the Property;

(ii) Delivery to Escrow Agent of a certified copy of a duly approved resolution by the Seller evidencing approval of this Agreement by Seller's legislative body;

(iii) Delivery to Escrow Agent of a certified copy of a duly approved resolution by the Oversight Board of the Successor Agency to the Commerce Community Development Commission evidencing approval of this Agreement by the Oversight Board's legislative body;

(iv) Delivery to the Escrow Agent of an affidavit that Seller is not a "foreign person" as described in Section 11 above;

(v) Title Company shall be in a position to issue the Title Policy referred to in Section 8;

(b) The obligation of the Seller under this Agreement is subject to the fulfillment or waiver by Seller of the following:

(i) Delivery into escrow by Buyer of the Purchase Price and its share of closing costs. Said amount will be deposited in escrow by Buyer upon request of the Escrow Agent.

(ii) Delivery to the Escrow Agent of an affidavit that Buyer is not a "foreign person" as described in Section 11 above.

13. WAIVER OF BREACH

The waiver by either party of any condition or breach by the other party of any term, covenant, or condition herein contained shall not be deemed to be a waiver of any other condition of any subsequent breach of the same or any other term, covenant, or condition herein contained.

14. CLOSING

(a) Date and Location. The purchase and sale transaction contemplated by this Agreement shall close (the "Closing") not later than **Friday, June 28, 2013** or on such other date as the parties may otherwise mutually agree (the "Closing Date"). Closing shall be held at the offices of Escrow Agent.

(b) Seller's Obligations. At the Closing, Seller shall:

(i) Deliver to Buyer or Buyer's assignee a duly executed and acknowledged Grant Deed conveying the Property to Buyer or Buyer's assignee. The Grant Deed shall be in substantially the same form as the Grant Deed attached hereto as Exhibit "D";

(ii) Deliver to Buyer or Buyer's assignee possession of the Property;

(iii) Deliver documents reasonably requested by the Title Company as administrative requirements for closing this transaction; and

(iv) Deliver to Buyer or Buyer's assignee a policy of title insurance in the amount of the Purchase Price, dated as of the Closing Date as provided in Section \*7 of this Agreement. Seller shall bear the cost of the PTR and a CLTA Standard Coverage Policy, subject to Buyer's right to request and pay for additional coverage as provided in said Section 7.

(c) Buyer's Obligations. At the Closing, Buyer shall:

(i) Make payment of the Purchase Price to Seller in accordance with Section 2 above. Buyer shall pay to Seller the cost of additional Title Insurance coverage(s) as required by Section 8 of this Agreement;

(ii) Deliver to Seller reasonable evidence of Buyer's capacity and authority for closing the transaction; and

(iii) Deliver documents reasonably requested by the Title Company as administrative requirements for closing this transaction.

(d) Tax Adjustment Procedure. Escrow Agent is authorized and instructed to comply with the following tax adjustment procedure:

(i) Pay and charge Seller for any unpaid delinquent taxes and/or any penalties and interest thereon, and for any delinquent or non-delinquent assessments or bonds against the Property;

(ii) Escrow is not to be concerned with proration of Seller's taxes for the current fiscal year if this escrow closes between July 1 and November 1 unless current tax information is available from title insurer between October 15 and November 1. In the event said tax information is available, Seller's taxes shall be prorated in accordance with paragraph (iii) below. From July 1 and the ensuing period, when tax information is not available, referred to above, Seller's pro rata portion of taxes due to close of escrow, shall be cleared and paid by Seller, outside of escrow, pursuant to provisions of Section 5082 through 5090 of the Revenue and Taxation Code of the State of California;

(iii) From the date that tax information is available, as per paragraph (d) (ii) above, up to and including July 30th, Seller's current taxes, if unpaid, shall be prorated to date of close of escrow on the basis of a 365-day year in accordance with Tax Collector's proration

requirements, together with penalties and interest if said current taxes are unpaid after December 10 and/or April 10. At close of escrow, a check payable to the County Tax Collector for Seller's pro rata portion of taxes shall be forwarded to Buyer with Closing statement; and

(iv) Any taxes which have been paid by Seller, prior to opening of this escrow, shall not be prorated between Buyer and Seller, but Seller shall have the sole right, after close of escrow, to apply to the County Tax Collector of said County for refund of such taxes which may be due Seller for the period after Buyer's acquisition pursuant to California Revenue and Taxation Code Section 5096.7.

(e) Costs. Except to the extent specifically allocated in this Agreement, each party shall pay its share of the costs associated with the Closing which are normally assessed against a Seller and Buyer in a transaction of this character in the county where the Property is located. Each party shall be responsible for its or his own legal, accountant or other professional fees, if any.

#### 15. RISK OF LOSS/CONDEMNATION

Seller shall assume the risk of loss, destruction or damage to the Property by fire, Act of God, other casualty, or condemnation prior to the Closing Date and the transfer of title to the Property to Buyer. Buyer assumes, as of the Closing Date and transfer of title, all hazards of damage to or destruction of the Property and of the taking of the Property or any part thereof for public use, and agrees that no such damage, destruction or taking shall constitute a failure of consideration. Upon the execution of this Agreement, Buyer shall have an insurable interest in the Property. Buyer shall have the option in the event of destruction or taking of a part of the Property subsequent to the execution of this Agreement but prior to the Closing Date that materially adversely affects Buyer's use of the Property to (i) cancel this Agreement, in which event Seller shall refund, without interest, the Earnest Money and neither party shall have any further right or obligation to or against the other or to (ii) proceed with the execution of the Agreement with an abatement of the Purchase Price measured by the proceeds of any insurance collected or condemnation award obtained.

#### 16. BROKER

Seller and Buyer each represent and warrant to the other that no real estate brokers or finders are or were involved with respect to any of the transactions contemplated by this Agreement. Each party hereto will indemnify and save harmless the other from any other claim or claims made by any brokers or finders for any commissions or compensation alleged to be due by reason of the indemnifying party involving such brokers or finders.

#### 17. NOTICES

All notices, demands and requests and other communications required or permitted hereunder shall be in writing, and shall be deemed to be delivered, when received, if delivered personally, by private messenger, courier service (e.g., Federal Express, a commercial messenger service or any similar means of delivery), or facsimile transmission, or whether actually received or not

when actually deposited in a regularly maintained receptacle for the United States Mail, registered or certified, return receipt requested, postage prepaid, addressed to the parties at the addresses provided below:

For Seller:

City of Commerce, as Successor Agency to the  
Commerce Community Development Commission  
2535 Commerce Way  
Commerce, California 90040  
Attn: City Administrator  
Phone: (323) 722-4805  
Fax: (323) 726-6231

with a copy to:

Eduardo Olivo  
Olivo & Associates  
320 W. Whittier Boulevard, Suite 224  
La Habra, CA 90631  
Phone: (562) 697-2440  
Fax: (562) 697-2443

For Buyer:

Costco Wholesale Corporation  
999 Lake Drive  
Issaquah, WA 98027  
Attn: Bruce Coffey  
Phone: (425) 313-6549  
Fax: (425) 313-8114

18. ATTORNEY'S FEES

If legal action is commenced to enforce or to declare the effect of any provision of this Agreement, or any document executed in connection with this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party reasonable attorneys' fees and other litigation costs. In addition to the foregoing award of attorneys' fees to the prevailing party, the prevailing party in any lawsuit on this Agreement or any document executed in connection with this Agreement shall be entitled to its reasonable attorneys' fees incurred in any post judgment proceedings to collect or enforce the judgment. This provision is separate and several and shall survive the merger of this Agreement or any document executed in connection with this Agreement into any judgment on this Agreement or any document executed in connection with this Agreement. This provision shall survive Closing or termination of this Agreement.



19. HEADINGS

The headings contained in this Agreement are for reference purposes only and shall not be deemed to be a part of this Agreement or to affect the meaning or interpretation of this Agreement.

20. MERGER

All understandings and agreements heretofore had between the parties, oral or written are merged into this Agreement, which alone fully and completely expresses their understanding.

21. MODIFICATION

This Agreement shall not be modified or amended except by a written instrument duly executed by the parties hereto.

22. BINDING EFFECT AND ASSIGNABILITY

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their parent, subsidiary and affiliated corporations, and their approved (in accordance with the terms of this Agreement) successors and assigns. Neither party shall assign this Agreement without the prior written consent of the other, provided, however, that Seller may not unreasonably withhold or delay its consent of a proposed assignment from Buyer to a third party ready, willing and able to assume Buyer's obligations. Any attempted assignment without such prior written consent shall be void; provided Seller's failure to notify Buyer of disapproval within ten (10) business days after it receives notice of the assignment shall be considered approval.

23. SURVIVAL OF REPRESENTATIONS AND WARRANTIES

The representations and warranties set forth in the Agreement shall be continuing and shall survive the closing.

24. GOVERNING LAW

This Agreement shall be construed and governed in accordance with the laws of the State of California.

25. FORUM SELECTION

Any action brought relating to this Agreement shall be brought and held exclusively in a State Court in the County of Los Angeles, California.

26. MODIFIED TIME OF THE ESSENCE

Time is of the essence in the performance of this Agreement.

27. COUNTERPARTS

This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

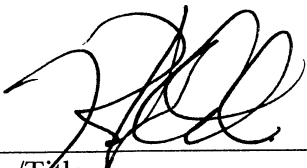
IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement in duplicate as of the day and year first above written.

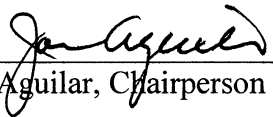
BUYER:

SELLER:

COSTCO WHOLESALE CORPORATION

CITY OF COMMERCE AS  
SUCCESSOR AGENCY TO THE  
COMMERCE COMMUNITY  
DEVELOPMENT COMMISSION


pc By:   
Name/Title \_\_\_\_\_  
**RICHARD J. OLIN**  
**V.P./Asst. Secretary**

By:   
Joe Aguilar, Chairperson

ATTEST:

By: \_\_\_\_\_  
Linda K. Olivieri,  
City Clerk

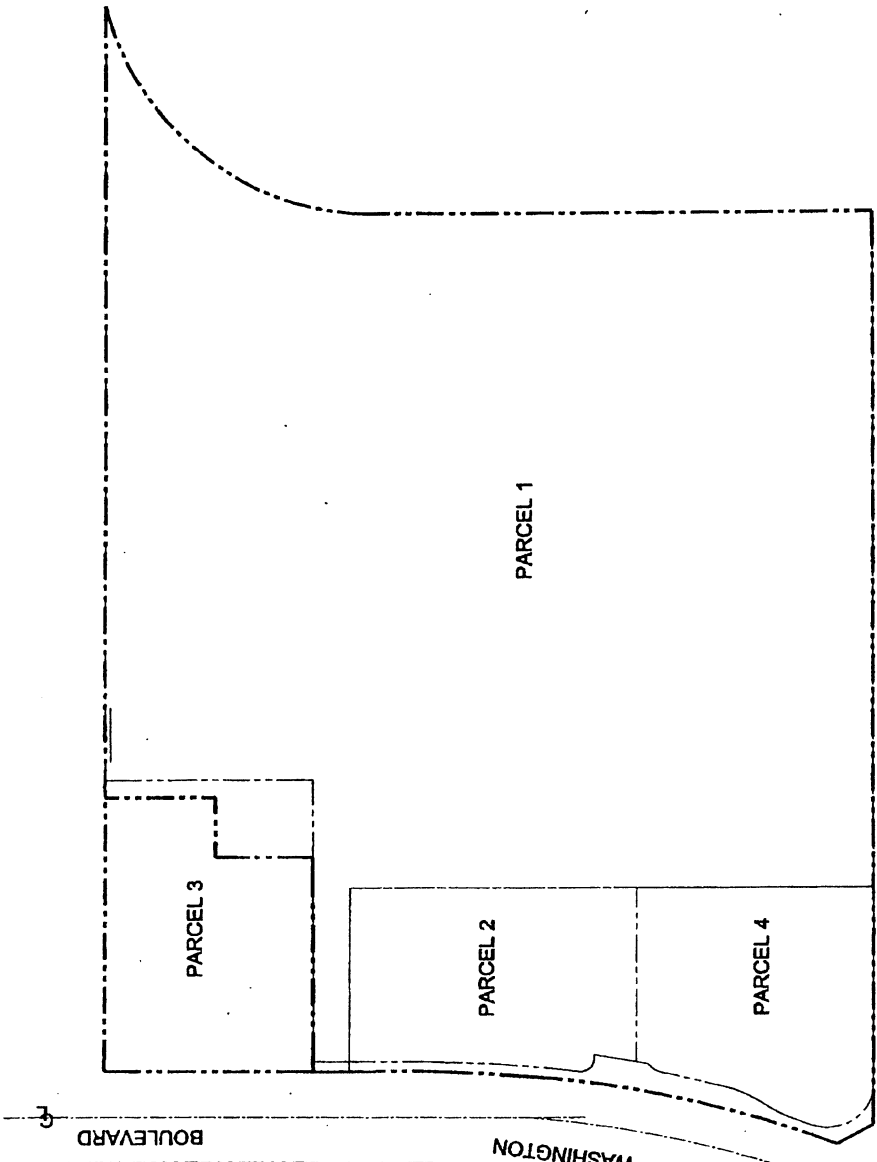
APPROVED AS TO FORM:

By:   
Eduardo Olivo, Legal Counsel

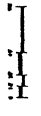


**EXHIBIT "A"**

**REDEVELOPMENT PARCEL MAP**



**LEGEND**



DATE: 02.06.08

**EXHIBIT 'A'**  
**REDEVELOPMENT PARCEL MAP**  
**COMMERCE, CA**

**EXHIBIT "B"**  
**REDEVELOPMENT SITE MAP**



**EXHIBIT "C"**

**LEGAL DESCRIPTION**  
**OF \*\*\* address??**

**(APN NO. 5244-033-900\*\*\*)**  
**(To Be Provided By Seller)**

**Formatted: Highlight**



EXHIBIT C  
LEGAL DESCRIPTION OF  
6315 TELEGRAPH ROAD AND 6320 WASHINGTON BOULEVARD

Real property in the City of City of Commerce, County of Los Angeles, State of California, described as follows:

PARCEL 4 OF PARCEL MAP NO. 70315, IN THE CITY OF COMMERCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA PER MAP FILED IN BOOK 359 PAGES 34 THROUGH 37, INCLUSIVE, OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF PARCEL 4 OF SAID PARCEL MAP, SAID POINT BEING ON THE NORTHEASTERLY LINE OF TELEGRAPH ROAD AS SHOWN ON SAID MAP; THENCE ALONG THE SOUTHEASTERLY AND NORTHWESTERLY LINE OF SAID PARCEL THE FOLLOWING COURSES:

NORTH 51° 29' 20" EAST, 216.11 FEET AND NORTH 38° 30' 40" WEST, 153.82 FEET TO THE SOUTHEASTERLY LINE OF WASHINGTON BOULEVARD AS SHOWN ON SAID MAP; THENCE SOUTHWESTERLY ALONG SAID SOUTHEASTERLY LINE THE FOLLOWING COURSES: SOUTH 51° 29' 20" WEST, 16.00 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 9.00 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 50° 09' 59" EAST, NORTHWESTERLY 12.13 FEET ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 77° 14' 37" TO THE BEGINNING OF A REVERSE CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 1070.00 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 70° 04' 38" EAST, SOUTHWESTERLY 15.60 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 00° 50' 08" TO THE BEGINNING OF A COMPOUND CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 151.00 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 26° 14' 30" EAST, SOUTHWESTERLY 18.08 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 06° 51' 40" TO A POINT ON A NON-TANGENT CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 127.00 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 08° 16' 56" EAST, SOUTHWESTERLY 66.80 FEET ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 30° 08' 15" TO THE BEGINNING OF A REVERSE CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 1050.00 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 21° 51' 20" EAST, SOUTHWESTERLY 50.17 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 02° 44' 15", SOUTH 70° 52' 55" WEST, 0.46 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 42.00 FEET AND SOUTHERLY 80.19 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 109° 23' 53" TO SAID NORTHEASTERLY LINE OF TELEGRAPH ROAD; THENCE ALONG SAID NORTHEASTERLY LINE SOUTH 38° 30' 57" EAST, 181.31 FEET TO THE POINT OF BEGINNING.

APN: 6336-009-906

**EXHIBIT "D"**

**FORM OF GRANT DEED**

Recording Requested by:

CITY OF COMMERCE, SUCCESSOR  
AGENCY TO THE COMMERCE  
COMMUNITY DEVELOPMENT  
COMMISSION

When Recorded Return to  
and Mail Tax Statements to:

Costco Wholesale Corporation  
999 Lake Drive  
Issaquah, WA 98027-5367  
Attention: REAL ESTATE DEPARTMENT  
PROPERTY MANAGEMENT

This document is exempt from the payment of recording  
fee pursuant to Government Code Section 27383

GRANT DEED

FOR VALUABLE CONSIDERATION, RECEIPT OF WHICH IS HEREBY  
ACKNOWLEDGED, THE **CITY OF COMMERCE, SUCCESSOR AGENCY TO THE  
CITY OF COMMERCE COMMUNITY DEVELOPMENT COMMISSION**, a public body,  
corporate and politic ("**Grantor**"), established pursuant to the provisions of Health and Safety  
Code Section 34173, hereby grants to **COSTCO WHOLESALE CORPORATION**, a  
Washington corporation ("**Grantee**"), that certain real property described in Exhibit "A"  
attached hereto and incorporated herein by this reference (the "**Property**").

(a) The Property is conveyed subject to all easements, covenants, conditions,  
restrictions, and other encumbrances of record.

(b) The Property is conveyed in accordance with that certain Amended and  
Restated Disposition and Development Agreement by and among Grantor and Grantee, dated  
March 18, 2008 (the "**DDA**"), which document is a public records on file in the office of the City  
Clerk of the City of Commerce, California.

(c) Grantee herein covenants by and for itself, its' heirs, executors,  
administrators and assigns, and all persons claiming under or through them, that there shall be no

discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, age, marital status, national origin or ancestry, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the **Property** herein conveyed nor shall the grantee, itself, or any persons claiming under through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, subleases or vendees in the premises herein conveyed. The foregoing covenants shall run with the land. All deeds, leases or contracts for the sale, lease, sublease, or other transfer of the Property shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(i) In deeds: “The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, age, marital status, national origin or ancestry, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises herein conveyed nor shall the grantee, himself or herself, or any persons claiming under through him or her, 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, subleases or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.”

(ii) In leases: “The lessee herein covenants by and for himself, his or her heirs, executors, administrators and assigns and all persons claiming under or through, him or her, 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 of persons on account of race, color, creed, religion, sex, age, marital status, national origin or ancestry, in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the premises herein leased, nor shall the lessee, himself or herself, or any person claiming under or through him or her, 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, subleases or vendees in the premises herein leased.”

(iii) In contracts for the sale, lease, sublease, or other transfer of the Property: “There shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, age marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the transferee, himself or herself or any person claiming under or through him or her establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, leases, subtenants, subleases or vendees of the land.”

(d) All covenants, conditions and restrictions contained in this Grant Deed shall be covenants running with the land, and shall be, in any event and without regard to technical classification or designation (legal or otherwise), to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by, Grantor, its successors and assigns, against Grantee, its successors and assigns to or of the Property, or a portion thereof,

or any interest therein, and any party in possession or occupancy of the Property, or portion thereof, for the duration of such covenants, conditions and restrictions.

(e) The covenants against discrimination contained in Section (c) of this Grant Deed shall remain in perpetuity.

(f) In amplification and not in restriction of the provisions set forth in this Grant Deed, it is intended and agreed that each of Grantor and the City of Commerce shall be deemed a beneficiary of the agreements and covenants provided in this Grant Deed both for and in its own right and also for the purposes of protecting the interests of the community. All covenants without regard to technical classification or designation shall be binding for the benefit of Grantor and City, and such covenants shall run in favor of Grantor and City for the entire period during which such covenants shall be in force and effect, without regard to whether Grantor is or remains an owner of any land or interest therein to which such covenants relate. Each of Grantor and City shall have the right, in the event of any breach of any such agreement or covenant, to exercise all 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 of agreement or covenant.

(g) 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 or deed of trust or interest permitted by the DDA; provided that any subsequent owner of the Property shall be bound by such remaining covenants, conditions, restrictions, limitations, and provisions, whether such owner's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale or otherwise.

(h) None of the covenants, conditions or restrictions heretofore agreed upon in writing in the DDA, or in other instruments between the parties to this Grant Deed, with respect to obligations to be performed, kept or observed with respect to the Property, shall be deemed to be merged with this Grant Deed.

IN WITNESS WHEREOF, Grantor and Grantee have executed this Grant Deed this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

CITY OF COMMERCE AS SUCCESSOR AGENCY TO  
THE COMMERCE COMMUNITY DEVELOPMENT  
COMMISSION, a public body, corporate and politic

By \_\_\_\_\_  
Name:  
Its: Chairperson

APPROVED AS TO FORM:

\_\_\_\_\_  
Eduardo Olivo  
Successor Agency Legal Counsel

Grantee hereby accepts and approves each of the covenants, conditions and restrictions contained in this Grant Deed.

COSTCO WHOLESALE CORPORATION,  
a Washington corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

# AGENDA REPORT

## OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION

DATE: May 15, 2013

TO: HONORABLE OVERSIGHT BOARD

FROM: SUCCESSOR AGENCY FINANCE DIRECTOR

SUBJECT: RESOLUTION NO. OB 2013-03 – A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION APPROVING A LICENSE AND HOLD HARMLESS AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND CRAIG-REALTY GROUP-CITADEL LLC

### RECOMMENDATION

Approve and adopt Resolution No. OB 2013-03 approving a License and Hold Harmless Agreement between the Successor Agency Craig-Realty Group-Citadel LLC.

### BACKGROUND AND OVERVIEW:

The Successor Agency to the Commerce Community Development Commission (the "Successor Agency") owns certain real properties commonly known as Lots 5 at 2322 Travers, Lot 6 at 2311 Travers, and Lot 7 at 2240 Gaspar all of PM 142-82-83 (the "Premises").

Craig Realty Group-Citadel LLC ("Craig Realty") has requested permission from the Successor Agency to use the Premises for parking purposes for weekdays and weekends throughout the remainder of 2013 and for the first part of 2014.

On May 7, 2013, this matter was approved by the Successor Agency. Pursuant to AB 1X 26, this matter must also be approved by the Oversight Board. Successor Agency staff recommends that the Oversight Board approve the license agreement at this time.

### ANALYSIS:

The License and Hold Harmless Agreement between the Successor Agency and Craig Realty will commence on April 1, 2013 and will automatically terminate on April 1, 2014 (the "Agreement"). Pursuant to the Agreement, Craig Realty will indemnify the Successor Agency for any and all loss or liability arising from their use of the Premises and will provide insurance in the amount of \$1,000,000.

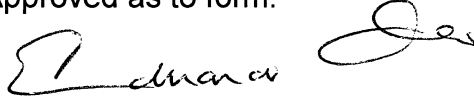
FISCAL IMPACT:

None.

Recommended by:

  
Vilko Domic  
Successor Agency Finance Director

Approved as to form:

  
Eduardo Olivo  
Successor Agency Legal Counsel

Attachment: Resolution No. OB 2013-03 approving a License and Hold Harmless Agreement between the Successor Agency Craig-Realty Group-Citadel LLC.

RESOLUTION NO. OB 2013-03

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION APPROVING A LICENSE AND HOLD HARMLESS AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND CRAIG-REALTY GROUP-CITADEL LLC

WHEREAS, the Successor Agency to the Commerce Community Development Commission (the "Successor Agency") owns certain real properties commonly known as Lots 5 at 2322 Travers, Lot 6 at 2311 Travers, and Lot 7 at 2240 Gaspar all of PM 142-82-83 (the "Premises"); and

WHEREAS, Craig Realty Group-Citadel LLC ("Craig Realty") has requested permission from the Successor Agency to use the Premises for parking purposes for weekdays and weekends throughout the remainder of 2013 and for the first part of 2014; and

WHEREAS, the Successor Agency desires to license the Premises for use by Craig Realty for parking purposes; and

WHEREAS, on May 7, 2013, this matter was approved by the Successor Agency. Pursuant to AB 1X 26, this matter must also be approved by the Oversight Board.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The License and Hold Harmless Agreement between the Successor Agency and Craig Realty Group-Citadel LLC is hereby approved.

Section 2. The Oversight Board's Secretary shall certify to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 15<sup>th</sup> day of May, 2013.

---

Lilia R. Leon  
Oversight Board Chairperson

ATTEST:

---

Linda Kay Olivieri, MMC  
Oversight Board Secretary





## **LICENSE AND HOLD HARMLESS AGREEMENT**

This License and Hold Harmless Agreement ("Agreement") is entered into this \_\_\_\_ day of April 2013, by and between the Successor Agency to the Commerce Community Development Commission ("Licensor") and Craig Realty Group-Citadel, LLC ("Licensee").

### **RECITALS**

WHEREAS, Licensor owns certain real properties commonly known as Lots 5 at 2322 Travers, Lot 6 at 2311 Travers, and Lot 7 at 2240 Gaspar all of PM 142-82-83 (hereafter, the "Premises" or "Licensed Area") as depicted on Attached Exhibit "A" (Location Map), which is attached hereto and incorporated herein by reference.

WHEREAS, Licensee has requested permission from Licensor to use the Premises for parking purposes for weekdays and weekends throughout the remainder of 2013, and for the first part of 2014; and

WHEREAS, Licensor desires to license the Premises for use by Licensee for parking purposes.

NOW, THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Licensor and Licensee hereby agree as follows.

### **AGREEMENT**

#### **SECTION 1. LICENSE OF THE LICENSED AREA**

Licensor grants to Licensee, for the sole benefit of Licensee, its employees, and invitees, a non-exclusive, non-assignable license to enter upon the Premises for the sole purpose of parking vehicles on the Premises from April 1, 2013 through April 1, 2014. The Licensed Area is described as follows: the real property commonly known as real properties commonly known as Lots 5 at 2322 Travers, Lot 6 at 2311 Travers, and Lot 7 at 2240 Gaspar all of PM 142-82-83 as depicted on Attached Exhibit "A".

Licensee shall be required to maintain the Premises and shall be responsible for all lighting and security commensurate with equivalent service levels maintained by Licensee for the Citadel Outlets parking areas. Licensee shall also be responsible for traffic control, as may be required.

## SECTION 2. TERM

The term of this License shall commence on April 1, 2013 ("Commencement Date") and, unless earlier terminated by Licensor for Licensee's default hereunder, shall automatically terminate on April 1, 2014 ("Expiration Date").

## SECTION 3. INSURANCE

Licensee shall maintain insurance and provide evidence thereof as required by Exhibit "B" hereto (the "Required Insurance") which is attached hereto and incorporated herein by this reference, for the term provided herein.

## SECTION 4. INDEMNIFICATION

Licensee agrees and acknowledges that its use of the Licensed Area is at its sole risk, and Licensee hereby waives, releases and absolves Licensor, its officers, agents and employees (the "Licensor Parties") from any and all cost, loss, damage, expense, and liability, whether foreseeable or not, from any cause whatsoever, that Licensee may suffer to its personal property located anywhere in the Licensed Area or that it or its agents, employees, principals, and invitees may suffer as a direct or indirect consequence of Licensee's use of the Licensed Area or access areas to the Licensed Area or for any other reason arising from or related to this Agreement; provided, however, that Licensee shall have no obligation to defend or indemnify Licensor from claims unrelated to a pre-existing condition which are caused by Licensor's negligence, or willful or criminal act. In addition, Licensee hereby agrees to indemnify, defend, protect, and hold Licensor and the Licensor Parties harmless from and against any loss, cost (including, but not limited to, attorneys' fees), damage, liability, expense, claim, or action or cause of action of any third party (including, but not limited to, employees, agents, contractors, invitees and licensees of Licensee), whether foreseeable or not, resulting as a direct or indirect consequence of or use of the Licensed Area or access areas to the Licensed Area or for any other reason arising from or related to the Agreement; provided, however, that Licensee shall have no obligation to defend or indemnify Licensor from claims which are caused by Licensor's negligence, or willful or criminal act. Licensee's indemnification obligations hereunder shall survive the expiration or earlier termination of this Agreement.

## SECTION 5. MISCELLANEOUS

(a) Time is of the essence of this Agreement and each of its provisions.

(b) This Agreement shall be construed and enforced in accordance with the laws of the State of California.

(c) In the event of any litigation between the parties respecting this Agreement, the prevailing party shall be entitled to recover from the unsuccessful party its reasonable attorneys' fees and costs as part of the judgment.

(d) This License is not to be construed as in any way granting to Licensee any leasehold or other real property interest in the Licensed Area, it being intended that this Agreement merely grants to Licensee this License to enter upon and use the Licensed Area during the Term in accordance with the terms and conditions hereof and shall not be deemed to grant to Licensee a leasehold or other real property interest in the Licensed Area.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by duly authorized individuals effective as of the date first written above.

**LICENSOR:**

SUCCESSOR AGENCY TO THE COMMERCERCE COMMUNITY DEVELOPMENT COMMISSION

By:   
Joe Aguilar, Chairperson

Approved as to Form:

By: \_\_\_\_\_  
Eduardo Olivo, Legal Counsel

**LICENSEE:**

CRAIG REALTY GROUP CITADEL, LLC,  
a California limited liability company

By: Citadel SPE, Inc.  
a Delaware corporation,  
its Manager

By: \_\_\_\_\_  
Steven L. Craig  
President



**EXHIBIT "A"**  
(Map)



**EXHIBIT "B"**  
(Required Insurance)

Licensee, at its own cost and expense, shall carry, maintain for the duration of this Agreement, and provide proof thereof that is acceptable to the Successor Agency to the Commerce Community Development Commission ("Successor Agency") of its procurement of the insurance specified below from insurers and under forms of insurance satisfactory in all respects to the Successor Agency. Licensee shall not allow any subcontractor to commence work on any subcontract under this Agreement until all insurance required of Licensee have also been obtained for the or by the subcontractor. Such insurance shall not be in derogation of Licensee's obligations to provide indemnity under Section 4 of this Agreement.

1. Comprehensive General Liability and Automobile Liability Insurance Coverage.

Licensee shall carry and maintain Comprehensive General Liability and Automobile Liability Insurance which provides the following:

Minimum coverage: Bodily injury limits of \$1,000,000 for each person and \$1,000,000 for each occurrence; property damage limits of \$500,000 for each occurrence, \$2,000,000 aggregate. Automobile liability limits of \$1,000,000 Combined Single Limit.

If a Commercial General Liability Insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned real property and automobiles.

2. Additional Insureds.

The Successor Agency, its officers, agents and employees must be named as additional insureds or as additional loss payees in all insurance policies required by this Agreement. An endorsement to this effect shall be delivered to the Successor Agency prior to the commencement of any work. Satisfaction of any deductible requirement shall be the responsibility of Licensee.

3. Cancellation Clause.

Each of the policies of insurance shall contain a clause substantially as follows:

It is hereby understood and agreed that this policy may not be canceled nor the amount of the coverage thereof be reduced until 30 days after receipt by the Executive Director of the Successor Agency to the Commerce Community Development



Commission of the written notice of such cancellation or reduction of coverage, as evidenced by receipt of a certified letter.

4. Severability Clause.

Each of the policies of insurance shall contain a clause substantially as follows:

The insurance afforded by this policy applies separately to each insured against whom a claim or suit is made or suit is brought, except with respect to the limit of the insurer's liability.

5. Qualifications of Insurer.

All policies of insurance shall be issued by an insurance company acceptable to the Successor Agency and authorized to issue said policy in the State of California.

6. Approval of Insurer.

The insurance carrier providing the insurance shall be chosen by Licensee subject to approval by the Successor Agency, provided that such approval shall not be unreasonably withheld.

7. Payment of Premiums.

All premiums on insurance policies shall be paid by Licensee making payment, when due, directly to the insurance carrier, or in a manner agreed to by the Successor Agency.

8. Evidence of Insurance and Claims.

The Successor Agency shall have the right to hold the policies and policy renewals, and Licensee shall promptly furnish to the Successor Agency all renewal notices and all receipts of paid premiums. In the event of loss, Licensee shall give prompt notice to the insurance carrier and the Successor Agency. The Successor Agency may make proof of loss if not made promptly by Licensee.

# AGENDA REPORT

## OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION

DATE: May 15, 2013

TO: HONORABLE OVERSIGHT BOARD

FROM: SUCCESSOR AGENCY FINANCE DIRECTOR

SUBJECT: RESOLUTION NO. OB 2013-04 – A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION APPROVING A LICENSE AND HOLD HARMLESS AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND TUBEWAY PROPERTIES, LLC

### RECOMMENDATION

Approve and adopt Resolution No. OB 2013-04 approving a License and Hold Harmless Agreement between the Successor Agency and Tubeway Properties, LLC.

### BACKGROUND AND OVERVIEW:

On May 3, 2011, the Commerce Community Development Commission (the "Commission") entered into an Exchange Agreement with the California Commerce Club, Inc. (the "Casino") that involved the sale of property by the Casino to the Commission and the sale of property by the Commission to the Casino. At that time, the Commission was moving forward with the planning of and acquisition of land for the Urban Entertainment Center Project (the "UEC Project"). The Commission required property owned by the Casino in order to complete the land acquisition needed for the UEC Project. The Casino agreed to sell such property to the Commission but, in exchange, requested the opportunity to purchase certain real property owned by the Commission.

Pursuant to the Exchange Agreement, the Commission and the Casino exchanged for consideration certain real property as follows: (1) the Commission acquired from the Casino real property comprised of a portion of industrial office space along Telegraph Road in an industrial center which was referred to as the "Spur Property"; and (2) the Casino acquired from the Commission certain real property referred to as 2301 Tubeway Avenue, in the City of Commerce (the "2301 Property").

The 2301 Property did not have adequate parking. Therefore, pursuant to Section 27 of the Exchange Agreement, the Commission agreed that it would provide the Casino with fourteen (14) parking spaces on Commission-owned property that was adjacent to the 2301 Property after the Spur Property close of escrow and to make good faith efforts to

facilitate fifteen (15) additional parking spaces on the UEC Project that could be used by the Casino on a non-exclusive basis after the 2301 Property close of escrow.

Pursuant to Section 13 of the Exchange Agreement, the Casino assigned its rights and obligations under the Exchange Agreement to an entity called Tubeway Properties, LLC (“Tubeway Properties”).

On June 29, 2011, the State Legislature enacted AB 1X 26 (“AB 26”) which required the termination of redevelopment agencies in California. On February 1, 2012, all redevelopment agencies, including the Commission (which acted as the City’s redevelopment agency), were dissolved.

Pursuant to AB 26, on January 17, 2012, the City of Commerce became the Successor Agency to the Commission (the “Successor Agency”).

Pursuant to AB 26 and AB 1484, the Successor Agency is required to comply with the “Enforceable Obligations” of the Commission.

Pursuant to *Health & Safety Code* § 34171 d)(1)(E), an “Enforceable Obligation” includes any legally binding enforceable contract that is not otherwise void as violating the debt limit or public policy. The Exchange Agreement and the obligations set forth therein, including the Commission’s obligation to provide for parking spaces for the benefit of the 2301 Property, constitutes an “Enforceable Obligation” that must be fulfilled by the Successor Agency.

Because of the passage of AB 26, the Successor Agency has not been able to proceed with the development of the UEC Project and has therefore been unable to provide Tubeway Properties with the parking provided for in the Exchange Agreement.

The Successor Agency owns certain real property located in the City of Commerce, County of Los Angeles, State of California, shown as parcel 1 on the Certificate of Compliance No. 12-04, recorded on February 03, 2012 as Instrument No. 20120198997 of official records (the “Premises”). The Premises are located immediately adjacent to the 2301 Property.

In order to address Tubeway Properties immediate parking requirements at the 2301 Property, the Successor Agency staff and Tubeway Properties have arranged for the provision of temporary additional parking spaces and temporary exclusive use by Tubeway Properties of a portion of the Premises (the “Parking Area” or the “Licensed Area”).

On May 7, 2013, this matter was approved by the Successor Agency. Pursuant to AB 26, this matter must also be approved by the Oversight Board. Successor Agency staff recommends that the Oversight Board approve the license agreement at this time.

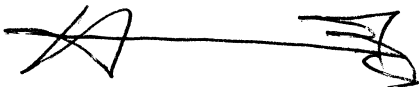
ANALYSIS:

The License and Hold Harmless Agreement between the Successor Agency and Tubeway Properties will commence retroactively as of January 1, 2013 and shall continue until the Successor Agency provides Tubeway Properties with a notice of termination (the "Agreement"). Pursuant to the Agreement, Tubeway Properties will indemnify the Successor Agency for any and all loss or liability arising from their use of the Premises and will also maintain insurance in the amount of \$1,000,000.

FISCAL IMPACT:

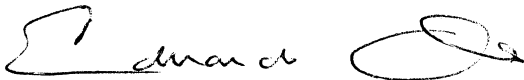
None.

Recommended by:



Vilko Domic  
Successor Agency Finance Director

Approved as to form:



Eduardo Olivo  
Successor Agency Legal Counsel

Attachment: Resolution No. OB 2013-04 approving a License and Hold Harmless Agreement between the Successor Agency and Tubeway Properties, LLC.



RESOLUTION NO. OB 2013-04

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION APPROVING A LICENSE AND HOLD HARMLESS AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND TUBEWAY PROPERTIES, LLC

WHEREAS, on May 3, 2011, the Commerce Community Development Commission (the "Commission") entered into an Exchange Agreement with the California Commerce Club, Inc. (the "Casino"). Pursuant to the Exchange Agreement, the Commission and the Casino exchanged for consideration certain real property as follows: (1) the Commission acquired from the Casino real property comprised of a portion of industrial office space along Telegraph Road in an industrial center which was referred to as the "Spur Property"; and (2) the Casino acquired from the Commission certain real property referred to as 2301 Tubeway Avenue, in the City of Commerce (the "2301 Property"); and

WHEREAS, pursuant to Section 27 of the Exchange Agreement, the Commission agreed that it would provide the Casino with fourteen (14) parking spaces on Commission-owned property that was adjacent to the 2301 Property after the Spur Property close of escrow and to make good faith efforts to facilitate fifteen (15) additional parking spaces on the Urban Entertainment Center Project that could be used by the Casino on a non-exclusive basis after the 2301 Property close of escrow; and

WHEREAS, pursuant to Section 13 of the Exchange Agreement, the Casino assigned its rights and obligations under the Exchange Agreement to an entity called Tubeway Properties, LLC ("Tubeway Properties"); and

WHEREAS, on June 29, 2011, the State Legislature enacted AB 1X 26 which required the termination of redevelopment agencies in California. On February 1, 2012, all redevelopment agencies, including the Commission, were dissolved; and

WHEREAS, pursuant to AB 26, on January 17, 2012, the City of Commerce became the Successor Agency to the Commission (the "Successor Agency"). Pursuant to AB 26 and AB 1484, the Successor Agency is required to comply with the "Enforceable Obligations" of the Commission; and

WHEREAS, the Successor Agency owns certain real property located in the City of Commerce, County of Los Angeles, State of California, shown as parcel 1 on the Certificate of Compliance No. 12-04, recorded on February 3, 2012 as Instrument No. 201220198997 of official records (the "Premises"). The Premises are located immediately adjacent to the 2301 Property; and

WHEREAS, in order to address Tubeway Properties immediate parking requirements at the 2301 Property, on May 7, 2013 the Successor Agency approved a license agreement providing Tubeway Properties with temporary additional parking

spaces and temporary exclusive use by Tubeway Properties of a portion of the Premises; and

WHEREAS, pursuant to AB 26, this matter must also be approved by the Oversight Board.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The License and Hold Harmless Agreement between the Successor Agency and Tubeway Properties, LLC is hereby approved.

Section 2. The Oversight Board's Secretary shall certify to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 15<sup>th</sup> day of May, 2013.

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Lilia R. Leon  
Oversight Board Chairperson

ATTEST:

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Linda Kay Olivieri, MMC  
Oversight Board Secretary

## **LICENSE AND HOLD HARMLESS AGREEMENT**

This License and Hold Harmless Agreement is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2013, by and between the Successor Agency to the Commerce Community Development Commission and Tubeway Properties, LLC.

### **RECITALS**

WHEREAS, on May 3, 2011, the Commerce Community Development Commission (the "Commission") entered into an Exchange Agreement with the California Commerce Club, Inc. (the "Casino") that involved the sale of property by the Casino and the sale of property by the Commission to the Casino. At that time, the Commission was moving forward with the planning of and acquisition of land for a project known as the Urban Entertainment Center Project (the "UEC Project"). The Commission required property owned by the Casino in order to complete the land acquisition needed for the UEC Project. The Casino agreed to sell such property to the Commission but, in exchange, requested the opportunity to purchase certain real property owned by the Commission.

WHEREAS, pursuant to the Exchange Agreement, the Commission and the Casino exchanged for consideration certain real property as follows: (1) the Commission acquired from the Casino real property comprised of a portion of industrial office space along Telegraph Road in an industrial center which was referred to as the "Spur Property"; and (2) the Casino acquired from the Commission certain real property referred to as 2301-2303 Tubeway Avenue, in the City of Commerce (the "2301 Property").

WHEREAS, the 2301 Property did not have adequate parking. Therefore, pursuant to Section 27 of the Exchange Agreement, the Commission agreed that it would provide the Casino with fourteen (14) parking spaces on Commission-owned property that was adjacent to the 2301 Property after the Spur Property close of escrow and to make good faith efforts to facilitate fifteen (15) additional parking spaces on the UEC Project that could be used by the Casino on a non-exclusive basis after the 2301 Property close of escrow.

WHEREAS, pursuant to Section 13 of the Exchange Agreement, the Casino assigned its rights and obligations under the Exchange Agreement to an entity called Tubeway Properties, LLC ("Licensee").

WHEREAS, on June 29, 2011, the State Legislature enacted AB 1X 26 ("AB 26") which required the termination of redevelopment agencies in California. On February 1, 2012, all redevelopment agencies, including the Commission (which acted as the City's redevelopment agency), were dissolved.



WHEREAS, pursuant to AB 26, on January 17, 2012, the City of Commerce became the Successor Agency to the Commission (the Successor Agency is hereafter referred to as the "Licensor").

WHEREAS, pursuant to AB 26 and AB 1484, Licensor is required to comply with the "Enforceable Obligations" of the Commission.

WHEREAS, pursuant to *Health & Safety Code* §34171 (d)(1)(E), an "Enforceable Obligation" includes any legally binding enforceable contract that is not otherwise void as violating the debt limit or public policy. The Exchange Agreement and the obligations set forth therein, including the Commission's obligation to provide for parking spaces for the benefit of the 2301 Property, constitutes an "Enforceable Obligation", that must be fulfilled by Licensor.

WHEREAS, because of the passage of AB 26, Licensor has not been able to proceed with the development of the UEC Project and has therefore been unable to provide Licensee with the parking provided for in the Exchange Agreement.

WHEREAS, Licensor owns certain real property located in the City of Commerce, County of Los Angeles, State of California, shown as parcel 1 on the Certificate of Compliance No. 12-04, recorded on February 03, 2012 as Instrument No. 20120198997 of official records (the "Premises"). The Premises are located immediately adjacent to the 2301 Property.

WHEREAS, in order to address Licensee's immediate parking requirements at the 2301 Property, Licensor and Licensee desire to arrange for the provision of temporary additional parking spaces and temporary exclusive use by Licensee of a portion of the Premises (the "Parking Area" or the "Licensed Area").

WHEREAS, a legal description of the Parking Area is set forth in Exhibit "A", which is attached hereto and incorporated herein by reference. The Parking Area is also depicted in Exhibit "B", which is attached hereto and incorporated herein by reference.

WHEREAS, Licensor desires to license the Parking Area for use by Licensee for parking purposes.

NOW, THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Licensor and Licensee hereby agree as follows.

## SECTION 1. LICENSE OF THE LICENSED AREA

Licensor grants to Licensee, for the sole benefit of Licensee and its tenants and invitees, an exclusive, non-assignable license to enter upon the Parking Area for the sole purpose of parking vehicles on the Premises and for no other purpose (the "Permitted Use"). The Licensed Area is described in Exhibit "A" and is depicted in the map attached hereto and Exhibit "B". Licensee shall be allowed to maintain a temporary fence around the Parking Area during the term of this License Agreement and to provide for any required lighting.

## SECTION 2. TERM

The term ("Term") of this License to use the Licensed Area shall commence retroactively as of January 1, 2013("Commencement Date") and shall continue until Licensee receives the parking provided for by Section 27 of the Exchange Agreement, this will terminate and Licensee shall be required to remove any fence around the Parking Area and to remove any other personal property or debris that has been placed thereon.

## SECTION 3. INSURANCE

Licensee shall maintain insurance and provide evidence thereof as required by Exhibit "C" hereto (the "Required Insurance") which is attached hereto and incorporated herein by this reference, for the term provided herein.

## SECTION 4. INDEMNIFICATION

Licensee agrees and acknowledges that its use of the Licensed Area is at its sole risk, and Licensee hereby waives, releases and absolves Licensor, its officers, agents and employees (the "Licensor Parties") from any and all cost, loss, damage, expense, and liability, whether foreseeable or not, from any cause whatsoever, that Licensee may suffer to its personal property located anywhere in the Licensed Area or that it or its agents, employees, principals, and invitees may suffer as a direct or indirect consequence of Licensee's use of the Licensed Area or access areas to the Licensed Area or for any other reason arising from or related to this Agreement. In addition, Licensee hereby agrees to indemnify, defend, protect, and hold Licensor and the Licensor Parties harmless from and against any loss, cost (including, but not limited to, attorneys' fees), damage, liability, expense, claim, or action or cause of action of any third party (including, but not limited to, employees, agents, contractors, invitees and licensees of Licensee), whether foreseeable or not, resulting as a direct or indirect consequence of or use of the Licensed Area or access areas to the Licensed Area or for any other reason arising

from or related to the Agreement. Licensee's indemnification obligations hereunder shall survive the expiration or earlier termination of this Agreement.

**SECTION 5. MISCELLANEOUS**

(a) Time is of the essence of this Agreement and each of its provisions.

(b) This Agreement shall be construed and enforced in accordance with the laws of the State of California.


(c) In the event of any litigation between the parties respecting this Agreement, the prevailing party shall be entitled to recover from the unsuccessful party its reasonable attorneys' fees and costs as part of the judgment.

(d) This License is not to be construed as in any way granting to Licensee any leasehold or other real property interest in the Licensed Area, it being intended that this Agreement merely grants to Licensee this License to enter upon and use the Licensed Area during the Term in accordance with the terms and conditions hereof.

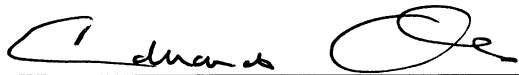
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by duly authorized individuals effective as of the date first written above.

**LICENSOR:**

SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY  
DEVELOPMENT COMMISSION

By:   
Joe Aguilar,  
Chairperson

Approved as to Form:

By:   
Eduardo Olivo,  
Successor Agency Legal Counsel

**LICENSEE:**

TUBEWAY PROPERTIES, LLC

By: \_\_\_\_\_



**EXHIBIT "A"**  
(LEGAL DESCRIPTION)

RECORDING REQUESTED BY

**EXHIBIT**  
LEGAL DESCRIPTION

**“2301-2303 PROPERTY”**

PARCEL B IN THE CITY OF COMMERCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS SHOWN IN THE CERTIFICATE OF COMPLIANCE (#11-02) RECORDED MAY 04, 2011 AS INSTRUMENT NO. 20110641255, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

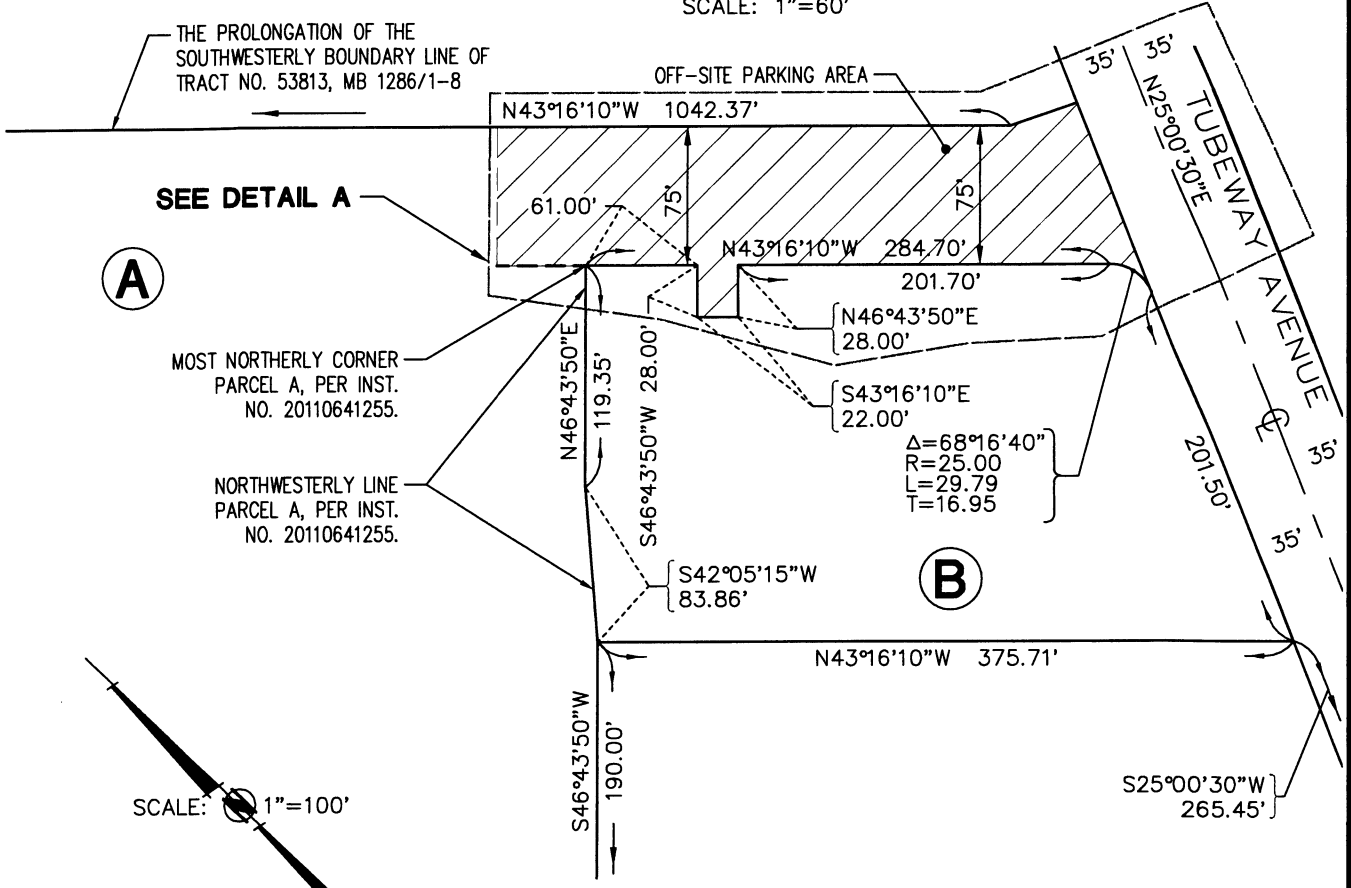
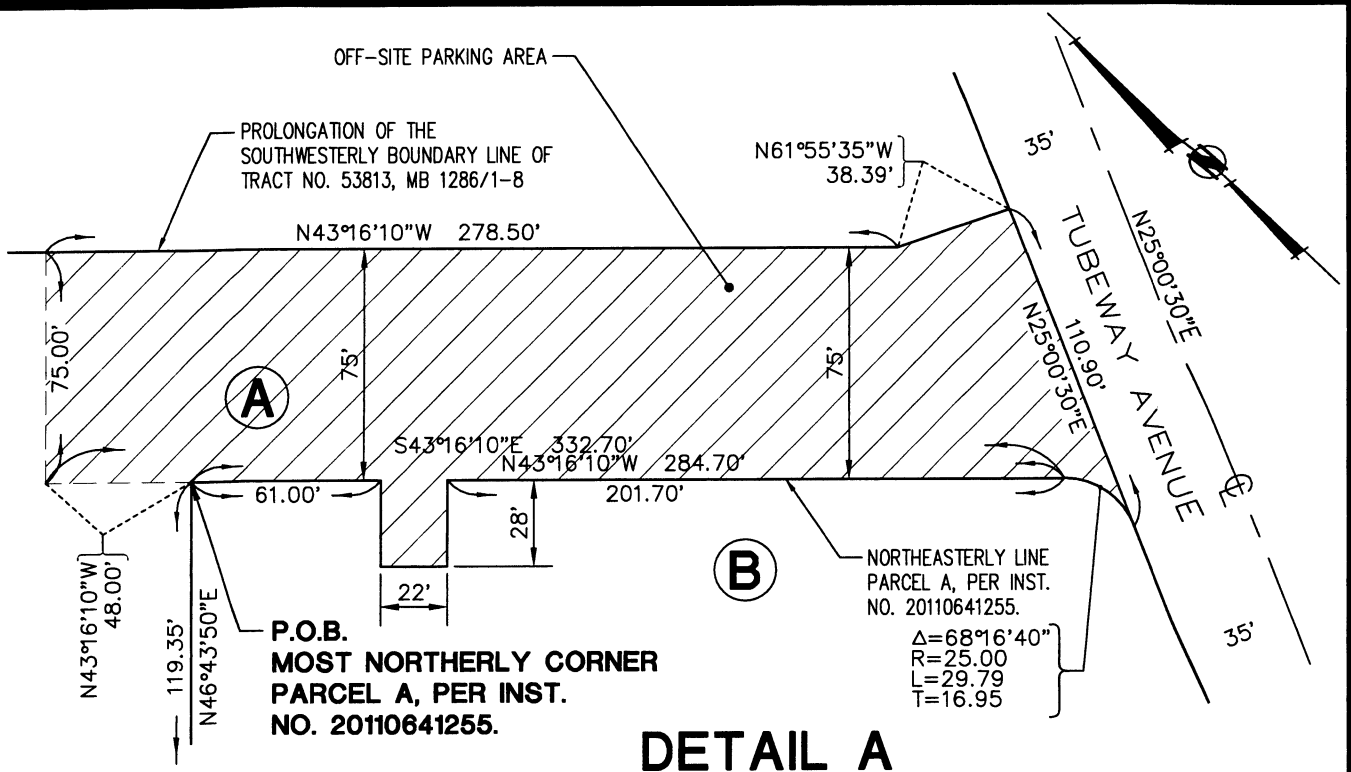
**“THE PARKING AREA”**

THAT CERTAIN PARCEL OF LAND SITUATED IN THE CITY OF COMMERCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, BEING THAT PORTION OF LOT 1, TRACT NO. 7777, AS PER MAP RECORDED IN BOOK 115, PAGES 13, AND 14 OF MAPS, RECORDS OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF PARCEL A IN THE CERTIFICATE OF COMPLIANCE (#11-02), RECORDED MAY 04, 2011 AS INSTRUMENT NO. 20110641255, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE CONTINUING ALONG THE NORTHEASTERLY BOUNDARY OF SAID PARCEL A, IN THE CERTIFICATE OF COMPLIANCE (#10-02) SOUTH 43° 16' 10" EAST 61.00 FEET; THENCE SOUTH 46° 43' 50" WEST 28.00 FEET THENCE SOUTH 43° 16' 10" EAST 22.00 FEET; THENCE NORTH 46° 43' 50" EAST 28.00 FEET, SOUTH 43° 16' 10" EAST 201.70 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 25.00 FEET; THENCE SOUTHERLY ALONG SAID CURVE, AN ARC DISTANCE OF 29.79 FEET, THROUGH AN CENTRAL ANGLE OF 68° 16' 40" TO A TANGENT LINE, ALSO BEING THE NORTHWESTERLY LINE OF TUBEWAY AVENUE, 70 FEET IN WIDTH ; THENCE ALONG THE NORTHWESTERLY LINE OF SAID TUBEWAY AVENUE, NORTH 25° 00' 30" EAST 110.90 FEET; THENCE LEAVING SAID TUBEWAY AVENUE, NORTH 61° 55' 35" WEST 38.39 FEET TO THE PROLONGATION OF THE SOUTHWESTERLY BOUNDARY OF TRACT NO 53813, RECORDED IN MAP BOOK 1286, PAGES 1 THROUGH 8 INCLUSIVE; THENCE ALONG SAID PROLONGATION NORTH 43° 16' 10" WEST 278.50 FEET TO THE NORTHEASTERLY PROLONGATION OF A LINE PARALLEL AND 48.00 FEET NORTHWESTERLY MEASURED AT RIGHT ANGLES FROM THE NORTHWESTERLY LINE OF SAID PARCEL A; THENCE SOUTH 46° 43' 50" WEST 75.00 FEET TO A POINT OF INTERSECTION WITH THE NORTHWESTERLY PROLONGATION OF THE NORTHEASTERLY LINE OF SAID PARCEL A, IN THE CERTIFICATE OF COMPLIANCE (#11-02); THENCE SOUTH 43° 16' 10" EAST 48.00 FEET TO THE POINT OF BEGINNING

**EXHIBIT B**  
**(PARKING AREA MAP)**





- (A)** - THE CITY
- (B)** - 2301-2303 PROPERTY

**EXHIBIT**  
OFF-SITE PARKING AREA

**EXHIBIT C**  
**(REQUIRED INSURANCE)**

Licensee, at its own cost and expense, shall carry, maintain for the duration of this Agreement, and provide proof thereof that is acceptable to the City of its procurement of the insurance specified below from insurers and under forms of insurance satisfactory in all respects to the City. Such insurance shall not be in derogation of Licensee's obligations to provide indemnity under Section 4 of this Agreement.

1. Comprehensive General Liability and Automobile Liability Insurance Coverage.

Licensee shall carry and maintain Comprehensive General Liability and Automobile Liability Insurance which provides the following:

Minimum coverage: Bodily injury limits of \$1,000,000 for each person and \$2,000,000 for each occurrence; property damage limits of \$500,000 for each occurrence, \$2,000,000 aggregate.

If a Commercial General Liability Insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned real property and automobiles. Insurance coverage shall not be subject to any type of pollution exclusion or owned property exclusions.

2. Additional Insureds.

The City, its officers, agents and employees must be named as additional insureds or as additional loss payees in all insurance policies required by this Agreement. An endorsement to this effect shall be delivered to the City prior to the commencement of any work. Satisfaction of any deductible requirement shall be the responsibility of Licensee.

3. Cancellation Clause.

Each of the policies of insurance shall contain a clause substantially as follows:

It is hereby understood and agreed that this policy may not be canceled nor the amount of the coverage thereof be reduced until 30 days after receipt by the City Administrator of the City of Commerce of the written notice of such cancellation or reduction of coverage, as evidenced by

receipt of a certified letter.

4. Severability Clause.

Each of the policies of insurance shall contain a clause substantially as follows:

The insurance afforded by this policy applies separately to each insured against whom a claim or suit is made or suit is brought, except with respect to the limit of the insurer's liability.

5. Qualifications of Insurer.

All policies of insurance shall be issued by an insurance company acceptable to the City and authorized to issue said policy in the State of California.

6. Approval of Insurer.

The insurance carrier providing the insurance shall be chosen by Licensee subject to approval by the City, provided that such approval shall not be unreasonably withheld.

7. Payment of Premiums.

All premiums on insurance policies shall be paid by Licensee making payment, when due, directly to the insurance carrier, or in a manner agreed to by the City.

8. Evidence of Insurance and Claims.

The City shall have the right to hold the policies and policy renewals, and Licensee shall promptly furnish to the City all renewal notices and all receipts of paid premiums. In the event of loss, Licensee shall give prompt notice to the insurance carrier and the City. The City may make proof of loss if not made promptly by Licensee.

# AGENDA REPORT

## OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION

DATE: May 15, 2013

TO: OVERSIGHT BOARD

FROM: SUCCESSOR AGENCY FINANCE DIRECTOR

SUBJECT: RESOLUTION NO. OB 2013-05 – A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION AMENDING RESOLUTION NO. OB 2012-01, ESTABLISHING THE DATE, TIME AND LOCATION OF OVERSIGHT BOARD MEETINGS, AND CHANGING THE REGULAR MEETING DATE AND TIME THEREOF

### RECOMMENDATION

Approve and adopt Resolution No. OB 2013-05, amending Resolution No. OB 2012-01, establishing the date, time and location for meetings of the Oversight Board, and changing the regular meeting date and time thereof.

### BACKGROUND AND OVERVIEW:

At its meeting of May 2, 2012, the Oversight Board approved and adopted Resolution No. OB 2012-01, establishing the first Wednesday of each month at 5:00 p.m. as the meeting date and time for its regular meetings.

Due to certain items requiring the approval of the Successor Agency prior to consideration by the Oversight Board and sufficient time to prepare agenda reports for the Board's consideration, Successor Agency staff is requesting that the Oversight Board consider changing its regular meeting date and time to the second Wednesday of each month at 5:30 p.m. The current meeting place will remain the City of Commerce City Hall, Council Chambers.

### FISCAL IMPACT:

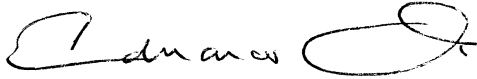
None.

Recommended by,

A handwritten signature in black ink, appearing to read 'Vilko Domic', written over a horizontal line.

Vilko Domic  
Successor Agency Finance Director

Approved as to form,

A handwritten signature in black ink, appearing to read 'Eduardo Olivo', written over a horizontal line.

Eduardo Olivo  
Successor Agency Legal Counsel

Attachment: Resolution No. OB 2013-05 changing regular meeting date and time.

RESOLUTION NO. OB 2013-05

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION AMENDING RESOLUTION NO. OB 2012-01, ESTABLISHING THE DATE, TIME AND LOCATION OF OVERSIGHT BOARD MEETINGS, AND CHANGING THE REGULAR MEETING DATE AND TIME THEREOF

WHEREAS, at its meeting of May 2, 2012, the Oversight Board of the Successor Agency to the Commerce Community Development Commission ("Oversight Board") approved and adopted Resolution No. OB 2012-01, establishing the date, time and location for Oversight Board meetings; and

WHEREAS, Successor Agency to the Commerce Community Development Commission ("Successor Agency") staff is recommending that the regular meeting date and time be changed to provide sufficient time for the Successor Agency to review and approve required matters prior to consideration by the Oversight Board and preparation of agenda reports for the Board's consideration.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Section 1 of Resolution No. 2012-01 is hereby amended in its entirety to read as follows:

"The Oversight Board meetings shall be on the second Wednesday of each month at 5:30 p.m. and the meetings shall be open to the public. Meetings may be adjourned by the presiding officer or by the Secretary if a quorum is not present."

Section 2. Except as provided herein, all other matters set forth in Resolution No. 2012-01 shall remain in full effect and force.

PASSED, APPROVED AND ADOPTED this 15<sup>th</sup> day of May, 2013.

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Lilia R. Leon  
Oversight Board Chairperson

ATTEST:

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Linda Kay Olivieri, MMC  
Oversight Board Secretary

