



SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY AGENDA REPORT



DEPARTMENT: Administration

MEETING DATE: May 20, 2014

PREPARED BY: Steve Sizemore, Acting City Manager

AGENDA LOCATION: SA AR-1

TITLE: Purchase and Sale Agreement with 820 S. Magnolia Ave., LLC in the Amount of \$685,000.00 for Real Property Located at 820 South Magnolia Avenue

OBJECTIVE: To sell Successor Agency owned real property located at 820 South Magnolia Avenue for the purpose of private development consisting of industrial condominiums.

BACKGROUND: In November 2006, the former Redevelopment Agency Board authorized the acquisition of 820 South Magnolia Avenue and 1675 South Primrose Avenue for the development of the Station Square project. The previous owner of the Magnolia Avenue property required both properties to be purchased as part of his agreement to sell the centrally located Primrose property. The Agency agreed to purchase 820 South Magnolia Avenue with the intent to develop at a later date and in 2008 entered into a Disposition and Development Agreement (DDA) on that property, which later expired. In September 2013, Staff presented two proposals to the Successor Agency Board and ultimately the Board voted to move forward with negotiating a purchase and sale agreement with 820 S. Magnolia Ave., LLC for the development of 10 industrial condominiums.

ANALYSIS: With the elimination of Redevelopment, the Department of Finance (DOF) for the State of California has detailed a process for disposing of former Redevelopment Agency properties now being held by the Successor Agency to the Redevelopment Agency. The process required the Successor Agency to inventory all Agency owned properties and create a Long-Range Property Management Plan (LRPMP).

The Successor Agency Board approved its LRPMP on August 6, 2013. Following Oversight Board approval on August 12, 2013, the LRPMP was forwarded to the DOF for review. Based on feedback received from the DOF, the Successor Agency approved a revised LRPMP on February 18, 2013. The Agency's LRPMP was approved by the DOF in March 2014 allowing the Agency to move forward with a purchase and sale agreement.

The purchase and sale agreement will allow Staff to move forward with the disposition of Agency property and the development of ten industrial condominiums available for various uses, including relocation of existing businesses and for "incubator-type" startups. The proposal from the developer states that based on the fact that they have already spent a great deal of time and money on this project and since plans have already been approved by the Planning Commission, they will be able to move forward with construction and development in an expeditious manner.

The sale of the property will also allow for the distribution of funds to the various taxing agencies. The following table shows the breakdown for the taxing entities by percentage and amount.

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Los Angeles County	48.37%	\$331,334.50
City of Monrovia	23.2%	\$158,920.00
Monrovia Unified School District	19.86%	\$136,041.00
Citrus Community College District	2.36%	\$16,166.00
County Sanitation District No. 15 Operating	1.66%	\$11,371.00
LA County Flood Control Maintenance	1.44%	\$9,864.00
County School Service Fund - Monrovia	0.85%	\$5,822.50
LA County FFW	0.67%	\$4,589.50
Duarte Unified School District	0.51%	\$3,493.50
Children's Instil. Tuition Fund	0.27%	\$1,849.50
LA. County Flood DR. IMP. District Maintenance	0.26%	\$1,781.00
County School Services	0.13%	\$890.50
Develop. Center Handicapped Minor - Monrovia	0.09%	\$616.50
Monrovia Unified Children's Center Fund	0.08%	\$548.00
Upper San Gabriel Valley Municipal Water District	0.08%	\$548.00
County Sanitation District No. 22 Operating	0.07%	\$479.50
Children's Center Fund Citrus CC	0.06%	\$411.00
County School Service Fund – Duarte	0.02%	\$137.00
LA County Accum. Cap. Outlay	0.01%	\$68.50
Develop. Center Handicapped Minor - Duarte	0.002%	\$13.70

ENVIRONMENTAL IMPACT: The area surrounding this property is of compatible use with the proposed project. During the construction period, it is anticipated that there will be additional noise and traffic associated with typical construction.

FISCAL IMPACT: The sale of the property will result in \$685,000.00 to be distributed amongst the various taxing agencies. The City will capture 23.2% or \$158,920, which can be used for future economic development purposes. In addition, the property tax value will increase, however, it is not known at this time by exactly how much. The agreed upon sale price is the fair market appraised value.

OPTIONS: The following options are presented for consideration:

1. Approve the Purchase and Sale agreement with 820 S. Magnolia Ave., LLC. This will allow the Successor Agency to dispose of property and receive its portion of the sale price, which can be used for future economic development purposes.
2. Reject the Purchase and Sale agreement with 820 S. Magnolia Ave., LLC and direct Staff to seek out additional proposals.

RECOMMENDATION: Staff recommends approving the Purchase and Sale agreement with 820 S. Magnolia Ave., LLC.

BOARD ACTION REQUIRED: If the Board of Directors concurs, the appropriate action would be a motion to approve the Purchase and Sale agreement with 820 S. Magnolia Ave., LLC in the Amount of \$685,000.00 for Real Property Located at 820 South Magnolia Avenue, and authorize the Executive Director to execute the necessary documents.

**AGREEMENT FOR PURCHASE AND SALE
AND ESCROW INSTRUCTIONS**

THIS AGREEMENT FOR PURCHASE AND SALE AND ESCROW INSTRUCTIONS (this "Agreement") is dated as of _____, 2014 [TO BE DATED AS OF THE DATE OF EXECUTION BY SELLER, AFTER DOF APPROVAL], and is entered into by and between 820 S. MAGNOLIA AVENUE, LLC, a California limited liability company ("Buyer"), and the SUCCESSOR AGENCY to the former Monrovia Redevelopment Agency ("Seller"). Upon the execution of this Agreement by Seller, Seller shall promptly email a copy of this executed Agreement to Buyer at _____.

RECITALS

A. Seller is the owner of the land at 820 S. Magnolia Avenue in Monrovia, CA described on Exhibit "A" and the improvements thereon (collectively, the "Property").

B. Buyer desires to purchase the Property from Seller and Seller desires to sell the Property to Buyer.

NOW, THEREFORE, in consideration of \$5.00, and for other valuable consideration, the sufficiency of which is hereby acknowledged, Buyer and Seller hereby agree as follows:

1. **SALE AND PURCHASE PRICE.**

1.1 **Sale and Purchase.** Seller agrees to sell the Property to Buyer and Buyer agrees to purchase the Property upon the terms and conditions hereafter set forth.

1.2 **Purchase Price.** The purchase price ("Purchase Price") for the Property shall be SIX HUNDRED EIGHTY-FIVE AND NO/100 DOLLARS (\$685,000.00).

2. **TITLE.**

2.1 **General.** Title to the Property shall be conveyed by grant deed and shall be evidenced by a CLTA Standard Coverage Form of Owner's Policy of Title Insurance (or an ALTA Extended Coverage Form Policy if Buyer elects such coverage as provided in Section 2.3 hereof) ("Title Policy"), the cost of which shall be borne by Buyer, issued by _____, _____, CA _____, Title Officer: _____ ("Title Company"), with liability in the full amount of the Purchase Price, insuring title to the Property as vested in Buyer, free and clear of all liens and encumbrances and other matters affecting title to the Property, except the following (which shall constitute "Approved Title Exceptions" under Section 2.4 below):

2.1.1 Non-delinquent real property taxes;

2.1.2 The fact that the Property is (or was) located in a Redevelopment Project Area; and

2.1.3 Such other matters as are approved by Buyer.

2.2 Acts After Date of Agreement. During the period from the date of this Agreement through the Close of Escrow, Seller shall not record, or file for record or permit to be recorded or filed for record any document or instrument which will affect the title to or use of the Property without the prior written consent of the Buyer, which consent shall not be unreasonably withheld.

2.3 Option for ALTA Coverage. Buyer shall have the option of obtaining an ALTA Extended Coverage Form Policy of Title Insurance or a CLTA Standard Coverage Form Owners Policy of Title Insurance. In such event, Buyer shall, at its expense, procure the ALTA Extended Coverage Survey (the "Survey"). The cost of an ALTA Extended Coverage Form Policy of Title Insurance and the survey for such extended coverage shall be borne by Buyer.

2.4 Title Review. Upon the execution and delivery of this Agreement, Buyer shall obtain a current title report from Title Company for the Property and copies of the title exception documents and, except as otherwise provided in Section 2.1 above, Buyer shall have the right to disapprove the title report and title exceptions and terminate this Agreement by written notice to Seller given within sixty (60) days after the date of this Agreement. If Buyer desires ALTA title insurance, Buyer shall conduct a survey and shall deliver it to the Title Company and shall have the right to disapprove matters disclosed by the survey and terminate this Agreement by written notice to Seller within sixty (60) days after the date of this Agreement. If Buyer does not timely terminate, then the following (in addition to the matters described in Section 2.1) shall be "Approved Title Exceptions": (i) all matters in said title report, (ii) if Buyer fails to obtain a title report, then all matters affecting title (the "Approved Title Exceptions").

3. RIGHT OF ENTRY.

3.1 Seller hereby grants Buyer and its agents, employees, contractors and subcontractors (collectively "Representatives") the right of entry to the Property at reasonable times until the date that is sixty (60) days after the date of this Agreement (the "Inspection Deadline") for the purpose of conducting soils and geological investigation and testing for toxic or hazardous substances and other contamination. Such investigation shall be at Buyer's expense. If Buyer desires to terminate this Agreement as a result of its inspection, Buyer may do so by written notice to Seller given on or before the Inspection Deadline.

3.2 Buyer shall deliver advance written notice to the Seller of its intention to enter the Property to conduct activities pursuant to this Section 3 at least one (1) business day prior to any entry onto the Property. Such notice of entry shall include the proposed dates and times of such entry, and the nature, specific location and scope of any test, investigation, or other activity upon the Property. Seller and its representatives shall have the right to accompany and observe all of Buyer's and its Representatives' activities on the Property.

3.3 All work performed by Buyer and its Representatives will be performed diligently and in a manner consistent with the standards of care, diligence and skill exercised by recognized consulting firms for similar services, and in accordance with all regulatory and good management standards and the requirements of any governmental agency or entity and all applicable laws.

3.4 Buyer and its Representatives shall promptly notify the Seller of any discovery, spill, release, or discharge of any "Hazardous Materials", as defined in Section 6.4, on, under or about the Property which is discovered, encountered, or results from or is related to the Buyer's or its Representatives' access to and/or use of the Property under this Agreement.

3.5 Buyer and its Representatives shall remove from the Property any wastes and Hazardous Materials used in or generated by the activities of Buyer or its Representatives on the Property no later than the date of completion of their environmental investigation activities and operations on the Property.

3.6 In connection with the use of the Property by Buyer and its Representatives, Buyer shall, at its own cost and expense, take any necessary action to keep the Property, and any improvements and personalty thereon, in good order and repair and safe condition to the extent that such Property, improvements or personalty were in such condition prior to its entry, and the whole of the Property, in a clean, sanitary and orderly condition, including, without limitation, ensuring that any holes, ditches or other indentations, as well as any mounds or other inclines created by any excavation by Buyer or its Representatives are regraded, resurfaced and compacted. If any portion of the Property or an adjacent property, including improvements and fixtures, suffers damage or alteration by reason of the access and activities of Buyer or its Representatives on the Property, Buyer shall, at its own cost and expense, promptly repair all such damage and restore the Property or adjacent property to as good a condition as before such damage or alteration occurred, or if it cannot be repaired, Buyer shall replace such damaged or altered property to the extent possible.

3.7 Buyer agrees, at its sole cost and expense, to defend, protect, indemnify, and hold free and harmless Seller and its employees, agents, and representatives, and their successors, and assigns (individually as "Indemnitee" and collectively, "Indemnitees"), free and harmless from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever ("Claims"), including fees of accountants, attorneys, expert witnesses, or other professionals, and all costs associated therewith, arising or claimed to arise, directly or indirectly, out of, in connection with, resulting from, or related to any act, failure to act, error, or omission of Buyer or any of its Representatives arising or claimed to arise, directly or indirectly, out of, in connection with, resulting from, or related to entry upon the Property pursuant to this Section 3, except for that portion or percentage of a Claim against an Indemnitee based on the comparative negligence, gross negligence or willful misconduct of such Indemnitee.

4. ESCROW.

4.1 Agreement to Constitute Escrow Instructions. This Agreement shall constitute escrow instructions and a copy hereof shall be deposited with the Escrow Holder for this purpose.

4.2 Escrow Holder. The escrow shall be opened with _____ Title Company, _____, CA _____, Attention: _____ ("Escrow Holder"), within five (5) business days after the execution of this Agreement by Buyer and Seller depositing an executed copy or executed counterparts of this Agreement with Escrow Holder.

This document shall be considered as the escrow instructions between the parties, with such further instructions as Escrow Holder requires in order to clarify the duties and responsibilities of Escrow Holder. If Escrow Holder shall require further escrow instructions, Escrow Holder shall promptly prepare such escrow instructions on its usual form for the purchase and sale of the Property upon the terms and provisions hereof. Provided such further escrow instructions are consistent with this Agreement, they shall be promptly signed by Buyer and Seller within five (5) business days after delivery thereof to each party. The further escrow instructions shall incorporate each and every term of this Agreement and shall provide that in the event of any conflict between the terms and conditions of this Agreement and such further escrow instructions, the terms and conditions of this Agreement shall control.

4.3 Close of Escrow. For the purposes of this Agreement, "Close of Escrow" shall be the date on which a grant deed for the Property in favor of Buyer, is recorded in the Official Records of the Los Angeles County Recorder's Office. Provided all of Seller's and Buyer's obligations to be performed on or before Close of Escrow have been performed and all the conditions to the Close of Escrow set forth in this Agreement have been satisfied, escrow shall close as soon as possible, but in no event later than ten (10) days after the Inspection Deadline ("Closing Date"). All risk of loss or damage with respect to the Property shall pass from Seller to Buyer at the Close of Escrow. Possession of the Property shall be delivered to Buyer upon the Close of Escrow.

4.4 Buyer Required to Deliver. On or before the Close of Escrow, Buyer shall deposit into escrow the following (properly executed and acknowledged, if applicable):

4.4.1 The Purchase Price;

4.4.2 Costs to be paid by Buyer under Section 4.9 below; and

4.4.3 All other documents contemplated by this Agreement and required by Escrow Holder to be deposited by Buyer to carry out this escrow.

4.5 Seller Required to Deliver. Before the Close of Escrow, Seller shall deposit into escrow the following:

4.5.1 A grant deed conveying the Property to Buyer, in the form attached hereto as Exhibit "B", duly executed by Seller and acknowledged (the "Grant Deed");

4.5.2 A California 593 certificate and federal non-foreign affidavit with respect to Seller, if required by Escrow Holder; and

4.5.3 Any other documents contemplated by this Agreement or required by Escrow Holder or the Title Company to be deposited by Seller to carry out this escrow.

4.6 Conditions to the Close of Escrow. Escrow shall not close unless and until both parties have deposited with Escrow Holder all sums and documents required to be deposited as provided in this Agreement. The failure of a party to timely deposit any such sums and/or documents shall constitute a default by such party. Buyer's obligation to proceed with the

transaction contemplated by this Agreement is subject to the satisfaction of all of the following conditions precedent, which are for Buyer's benefit and may be waived only by Buyer:

4.6.1 Seller shall have performed all agreements to be performed by Seller hereunder;

4.6.2 As of the Close of Escrow, there shall have been no material adverse changes in the physical condition of the Property caused by Seller since Buyer's inspection; and

4.6.3 Title Company shall have issued or shall have committed to issue the Title Policy to Buyer, for the amount of the Purchase Price showing fee title to the Property to be vested in Buyer, subject only to the Approved Title Exceptions.

In the event that the conditions to Close of Escrow are not timely satisfied for a reason other than a default of Buyer or Seller under this Agreement, then upon termination of this Agreement, Escrow Holder shall promptly return to Buyer all funds (and all interest accrued thereon) and documents deposited by Buyer in escrow and to return to Seller all funds and documents deposited by Seller in escrow and which are held by Escrow Holder on the date of the termination (less, in the case of the party otherwise entitled to such funds, however, the amount of any cancellation charges required to be paid by such party under Section 4.11 below).

4.7 Recordation of Grant Deed; Delivery of Funds. Upon receipt of the funds and instruments described in this Section 4, Escrow Holder shall cause the Grant Deed to be recorded in the office of the County Recorder of Los Angeles County, California. Thereafter, Escrow Holder shall deliver the proceeds of this escrow (less appropriate charges) to Seller.

4.8 Prorations. All real and personal property taxes, liens and assessments shall be prorated between Buyer and Seller as of the Close of Escrow based on the latest available tax information or, at Seller's election, such taxes, liens and assessments may be paid in full through escrow to the lienholder from the Deposit, so long as the Deposit is sufficient to satisfy all outstanding liens. If such liens are paid through escrow, Escrow Holder shall cause the liens to be discharged and the discharge recorded prior to conveyance of fee title of the Property to Buyer. Any supplemental or escape real estate taxes and assessments on the Property attributable to the period prior to the Close of Escrow shall be paid by Seller outside of the escrow. All prorations shall be determined on the basis of a 360-day year.

4.9 Costs of Escrow.

4.9.1 Seller shall pay:

- (a) The premium for the CLTA Standard Title Policy;
- (b) One-half (1/2) of the escrow fees; and
- (c) Any other closing costs or charges not expressly provided for herein and customarily paid by a Seller of real property in Los Angeles County, California.

4.9.2 Buyer shall pay:

- (a) One-half (1/2) of the escrow fees;
- (b) The cost of recording the Grant Deed, if any;
- (c) The cost of documentary transfer taxes in connection with the recordation of the Grant Deed, if any;
- (d) The excess cost of an ALTA extended title policy, if Buyer has so elected; and
- (e) Any other closing costs or charges not expressly provided for herein and customarily paid by a Buyer of real property in Los Angeles County, California.

4.10 Broker's Commission. Buyer and Seller represent to one another that no broker or finder has been engaged in connection with the transaction contemplated by this Agreement, or to its knowledge is in any way connected with such transaction. Each party covenants and agrees that any broker fee or commission, which may be due or payable in connection with the closing of the transaction contemplated by this Agreement through its dealings with that party, shall be borne solely by that party. Each party agrees to indemnify, defend, protect and hold harmless the other party and its respective employees, agents, representatives, council members, attorneys, successors and assigns, from and against all claims of any agent, broker, finder or other similar party arising from or in connection with its activities relating to the sale of the Property to Buyer.

4.11 Escrow Cancellation Charges. In the event that this escrow shall fail to close by reason of the default of either party hereunder, the defaulting party shall be liable for all escrow and title cancellation charges. In the event that the escrow shall fail to close for any other reason, each party shall pay one-half (1/2) of all escrow and title cancellation charges.

5. EMINENT DOMAIN OR TAKING; PHYSICAL DAMAGE OR DESTRUCTION.

5.1 If, prior to the Close of Escrow, any material portion of the Property is taken or if the access thereto or available parking area therefor is reduced or restricted by eminent domain or otherwise (or becomes the subject of a pending, threatened or contemplated taking which has not been consummated, other than any such taking prosecuted by or on behalf of the Buyer), Seller shall immediately notify Buyer of such fact. In such event, Buyer shall have the option, in its sole and absolute discretion, to terminate this Agreement upon written notice to Seller given not later than ten (10) business days after receipt of Seller's notice. If Buyer does not exercise this option to terminate this Agreement, neither party shall have the right to terminate this Agreement, but the Seller shall assign and turn over to Buyer, and the Buyer shall be entitled to receive and keep, all awards for the taking by eminent domain which accrue to Seller, and the parties shall proceed to the Close of Escrow pursuant to the terms hereof, without modification of the terms of this Agreement and without any reduction in the Purchase Price. Unless and until this Agreement is terminated, Seller shall take no action with respect to

any eminent domain proceeding without the prior written consent of Buyer, which consent shall not be unreasonably withheld or delayed.

5.2 If, prior to the Close of Escrow, any material portion of the Property is physically damaged or destroyed due to any cause, natural or otherwise, including, without limitation, (i) fire or flooding, (ii) any destructive seismic or geological conditions such as any earthquake or tremor, subsidence, or unstable subsurface conditions; or (iii) a condition arising from any discharge of Hazardous Materials or other violation of any Environmental Laws, Seller shall immediately notify Buyer of such fact. In such event, Buyer shall have the option, in its sole and absolute discretion, to terminate this Agreement upon written notice to Seller given not later than ten (10) business days after receipt of Seller's notice. If Buyer does not exercise this option to terminate this Agreement, neither party shall have the right to terminate this Agreement, but the Seller shall assign and turn over, and the Buyer shall be entitled to receive and keep, all insurance proceeds paid by Seller's insurer in connection with such damage or destruction, and the parties shall proceed to the Close of Escrow pursuant to the terms hereof, without modification of the terms of this Agreement and without any reduction in the Purchase Price. Unless and until this Agreement is terminated, Seller shall take no action with respect to any such damage and destruction without the prior written consent of Buyer, which consent shall not be unreasonably withheld or delayed.

6. CONDITION OF PROPERTY; "AS-IS" SALE; INDEMNITY AND RELEASE.

6.1 There are no representations or warranties of any kind whatsoever, express or implied, made by Seller, including, without limitation, any representation or warranty concerning the potential use, development or physical condition of the Property (including the presence of any hazardous or toxic substances or the structural condition of any buildings or improvements) or any income, expenses, or any other matter or thing arising or related to the Property. Except as otherwise provided for herein, the purchase of the Property hereunder is and will be made on an "AS IS AND WITH ALL FAULTS" basis. Seller shall not be required to make any repairs, alterations or improvements to the Property. The Buyer shall fully investigate the Property, including, but not limited to, analysis of soils and hazardous materials, zoning and use issues and other matters which a prudent purchaser would deem necessary, and in the event Buyer shall purchase the Property, Buyer will be relying entirely on its own investigation of the Property.

6.2 BUYER HEREBY WAIVES ITS RIGHT TO RECOVER FROM AND FULLY AND IRREVOCABLY RELEASES SELLER, AND ITS OFFICERS, BOARD MEMBERS, EMPLOYEES, REPRESENTATIVES, AGENTS AND CONTRACTOR'S (COLLECTIVELY, THE "**RELEASED PARTIES**") FROM ANY AND ALL CLAIMS, RESPONSIBILITY AND/OR LIABILITY THAT BUYER MAY NOW HAVE OR HEREAFTER ACQUIRE AGAINST ANY OF THE RELEASED PARTIES FOR ANY COSTS, LOSSES, LIABILITIES, DAMAGES, EXPENSES, CLAIMS, DEMANDS, ACTION OR CAUSE OF ACTION ARISING FROM HAZARDOUS MATERIALS IN, ON OR UNDER THE PROPERTY. THIS RELEASE INCLUDES CLAIMS OF WHICH BUYER IS PRESENTLY UNAWARE OR WHICH BUYER DOES NOT PRESENTLY SUSPECT TO EXIST WHICH, IF KNOWN BY BUYER, WOULD MATERIALLY AFFECT BUYER'S RELEASE OF THE RELEASED PARTIES. IF THE PROPERTY IS NOT IN A CONDITION SUITABLE FOR THE

INTENDED USE OR USES, THEN IT IS THE SOLE RESPONSIBILITY AND OBLIGATION OF BUYER TO TAKE SUCH ACTION AS MAY BE NECESSARY TO PLACE THE PROPERTY IN A CONDITION SUITABLE FOR DEVELOPMENT.

THE BUYER HEREBY ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH IS SET FORTH BELOW:

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

BY INITIALING BELOW, DEVELOPER HEREBY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING WAIVERS AND RELEASES.

Buyer's Initials

The waivers and releases by Buyer herein contained shall survive the Close of Escrow and the recordation of the Grant Deed and shall not be deemed merged into the Grant Deed upon its recordation.

6.3 Buyer shall defend, indemnify and hold Seller harmless from and against any and all claims, losses, damages, costs and expenses arising from or relating to the presence of Hazardous Materials in, on or under the Property and this Section 6.3 shall survive the Close of Escrow and the recordation of the Grant Deed.

6.4 The term “Hazardous Materials” shall mean and include the following, including mixtures thereof: any hazardous substance, pollutant, contaminant, waste, by-product or constituent regulated under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 *et seq*; oil and petroleum products and natural gas, natural gas liquids, liquefied natural gas and synthetic gas usable for fuel; pesticides regulated under the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. Section 136 *et seq*; asbestos and asbestos-containing materials, PCBs and other substances regulated under the Toxic Substances Control Act, 15 U.S.C. Section 2601 *et seq*; source material, special nuclear material, by-product material and any other radioactive materials or radioactive wastes, however produced, regulated under the Atomic Energy Act or the Nuclear Waste Policy Act of 1982; chemicals subject to the OSHA Hazard Communication Standard, 29 C.F.R. Section 1910.1200 *et seq*; industrial process and pollution control wastes, whether or not hazardous within the meaning of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 *et seq*.; any substance defined as a “hazardous substance” in California Civil Code Section 2929.5(e)(2) or California Code of Civil Procedure Section 736(f)(3); and any other substance or material regulated by any Environmental Laws, defined below.

6.5 The term "Environmental Laws" shall mean and include all federal, state and local statutes, ordinances, regulations and rules in effect on or prior to the date hereof relating to environmental quality, health, safety, contamination and clean-up, including, without limitation, the Clean Air Act, 42 U.S.C. Section 7401 et seq; the Clean Water Act, 33 U.S.C. Section 1251 et seq; and the Water Quality Act of 1987; the Federal Insecticide, Fungicide, and Rodenticide Act 7 U.S.C. Section 136 et seq; the Marine Protection, Research, and Sanctuaries Act, 33 U.S.C. Section 1401 et seq; the National Environmental Policy Act, 42 U.S.C. Section 4321 et seq; the Noise Control Act, 42 U.S.C. Section 4901 et seq; the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq; the Resource Conservation and Recovery Act 42 U.S.C. Section 6901 et seq; as amended by the Hazardous and Solid Waste Amendments of 1984; the Safe Drinking Water Act, 42 U.S.C. Section 300f et seq; the Comprehensive Environmental Response, Compensation and Liability Act 42 U.S.C. Section 9601 et seq; as amended by the Superfund Amendments and Reauthorization Act, the Emergency Planning and Community Right-to-Know Act and the Radon Gas and Indoor Air Quality Research Act; the Toxic Substances Control Act 15 U.S.C. Section 2601 et seq; the Atomic Energy Act, 42 U.S.C. Section 2011 et seq; and the Nuclear Waste Policy Act of 1982, 42 U.S.C. Section 10101 et seq; and state and local environmental statutes and ordinances, and implementing regulations and rules.

7. INCORPORATION OF EXHIBITS. All exhibits attached hereto and referred to herein are incorporated in this Agreement as though fully set forth herein.

8. ATTORNEYS' FEES. In any action between Buyer and Seller seeking enforcement of any of the terms and provisions of this Agreement, or in connection with the Property, the prevailing party in such action shall be awarded, in addition to damages, injunctive or other relief, its reasonable costs and expenses, not limited to taxable costs, reasonable attorneys' fees and reasonable fees of expert witnesses.

9. NOTICES. All notices, requests, demands and other communication given or required to be given hereunder shall be in writing and sent by first class United States registered or certified mail, postage prepaid, return receipt requested, or sent by a nationally recognized courier service such as Federal Express, duly addressed to the parties as follows:

To Seller: City of Monrovia
415 S. Ivy Avenue
Monrovia, California 91016
Attn: _____

To Buyer: 820 S. Magnolia Avenue, LLC
c/o CIBA Real Estate
233 W. Chestnut Ave.
Monrovia, California 91016
Attn: Alfredo Mejia

Delivery of any notice or other communication hereunder shall be deemed made on the date indicated in the return receipt or courier's records as the date of delivery or as the date of

first attempted delivery, if sent by mail or courier service. Any party may change its address for purposes of this Section by giving notice to the other party as herein provided.

10. ASSIGNMENT. Neither this Agreement nor any interest herein may be assigned by either party without the prior written consent of the other party.

11. BINDING EFFECT. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their successors and assigns.

12. ENTIRE AGREEMENT. This Agreement contains all of the agreements of the parties hereto with respect to the matters contained herein, and all prior or contemporaneous agreements or understandings, oral or written, pertaining to any such matters are merged herein and shall not be effective for any purpose. No provision of this Agreement may be amended, supplemented or in any way modified except by an agreement in writing signed by the parties hereto or their respective successors in interest and expressly stating that it is an amendment of this Agreement.

13. HEADINGS. The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of the provisions of this Agreement.

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

15. EMAIL DELIVERY. This executed Agreement (and executed counterparts of this Agreement), may be delivered by email.

16. TIME OF THE ESSENCE. Time is of the essence of this Agreement.

17. THIRD PARTIES. Nothing contained in this Agreement, expressed or implied, is intended to confer upon any person, other than the parties hereto and their successors and assigns, any rights or remedies under or by reason of this Agreement.

18. SEVERABILITY. If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, unless such invalidity, illegality or unenforceability materially affects the economic terms of the transactions contemplated by this Agreement or the ability of either party to perform its obligations under this Agreement. In such case, either party may terminate this Agreement and the escrow upon written notice to the other party given no later than ten (10) business days after the party giving such notice becomes aware of such invalidity, illegality or unenforceability. In the event of such termination, all funds deposited with Escrow Holder by Buyer and any interest accrued thereon shall be returned to Buyer.

19. ADDITIONAL DOCUMENTS. Each party hereto agrees to perform any further acts and to execute, acknowledge and deliver any further documents that may be reasonably necessary to carry out the provisions of this Agreement.

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

BUYER:

820 S. MAGNOLIA AVENUE, LLC,
a California limited liability company

By: _____
Print Name: _____
Title: _____

SELLER:

CITY OF MONROVIA, as successor agency
to the Monrovia Redevelopment Agency

By: _____
Print Name: _____
Title: _____

Attest:

APPROVED AS TO FORM:

Richards, Watson & Gershon

By: _____
_____, Successor Agency Counsel

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

PARCEL A:

THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF MONROVIA, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, BEING A PORTION OF PARCEL 1, PARCEL MAP NO. 11146 FILED JANUARY 18, 1979 IN BOOK 105 PAGE 72 OF PARCEL MAPS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF SAID PARCEL 1; THENCE ALONG THE WESTERLY LINE OF SAID PARCEL 1 SOUTH 0 DEGREES 32 MINUTES 41 SECONDS WEST 81.22 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 621.19 FEET (A RADIAL TO SAID POINT BEARS NORTH 16 DEGREES 59 MINUTES 15 SECONDS EAST); THENCE EASTERLY ALONG SAID CURVE A DISTANCE OF 18.34 FEET TO TANGENCY WITH A LINE THAT IS PARALLEL WITH AND DISTANT NORTHERLY 28.36 FEET AT RIGHT ANGLES FROM THE SOUTHERLY LINE OF SAID PARCEL 1; THENCE ALONG SAID PARALLEL LINE SOUTH 71 DEGREES 19 MINUTES 16 SECONDS EAST 205.75 FEET TO A LINE THAT IS PARALLEL WITH AND DISTANT WESTERLY 75.16 FEET AT RIGHT ANGLES FROM THE EASTERLY LINE OF SAID PARCEL 1; THENCE ALONG LAST SAID PARALLEL LINE NORTH 18 DEGREES 24 MINUTES 38 SECONDS EAST 78.08 FEET TO THE MOST NORTHERLY LINE OF SAID PARCEL 1; THENCE NORTH 71 DEGREES 35 MINUTES 22 SECONDS WEST THEREON 249.00 FEET TO THE POINT OF BEGINNING.

PARCEL B:

THAT PORTION OF PARCEL 1, IN THE CITY OF MONROVIA, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON PARCEL MAP NO. 11146, FILED IN BOOK 105 PAGE 72 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHEASTERLY CORNER OF SAID PARCEL 1; THENCE ALONG BOUNDARY OF SAID PARCEL 1 THE FOLLOWING FIVE (5) COURSES: (1) SOUTH 18 DEGREES 24 MINUTES 38 SECONDS WEST (BEARING BASED ON SAID MAP), 106.44 FEET; THENCE (2) NORTH 71 DEGREES 19 MINUTES 16 SECONDS WEST 478.06; THENCE (3) NORTH 26 DEGREES 58 MINUTES 47 SECONDS EAST, 5.04 FEET; THENCE (4) SOUTH 50 DEGREES 04 MINUTES 16 SECONDS EAST, 103.81 FEET; THENCE (5) EASTERLY ALONG THE ARC OF A CURVE TANGENT TO THE PRECEDING COURSE, CONCAVE SOUTHERLY AND HAVING A RADIUS OF 621.19 FEET, THROUGH A CENTRAL ANGLE OF 7 DEGREES 03 MINUTES 31 SECONDS A DISTANCE OF 76.53 FEET, THENCE CONTINUING EASTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 621.19 FEET THROUGH A CENTRAL ANGLE OF 1 DEGREE 41 MINUTES 29 SECONDS A DISTANCE OF 18.34 FEET TO A POINT OF TANGENCY IN A LINE PARALLEL WITH AND DISTANT NORTHERLY 28.36 FEET MEASURED AT RIGHT ANGLES FROM THE SOUTHERLY LINE OF SAID PARCEL 1;

THENCE SOUTH 71 DEGREES 19 MINUTES 16 SECONDS EAST ALONG SATO PARALLEL LINE, 205.75 FEET; THENCE NORTH 10 DEGREES 24 MINUTES 38 SECONDS EAST, 78.08 FEET TO A POINT IN THE MOST NORTHERLY LINE OF SAID PARCEL 1; THENCE SOUTH 71 DEGREES 35 MINUTES 22 SECONDS EAST ALONG SAID NORTHERLY LINE, 75.16 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM SAID PARCEL B ALL MINERALS CONTAINED IN THE ABOVE DESCRIBED LAND, HYDROCARBON SUBSTANCES, AS WELL AS METALLIC OR OTHER SOLID MINERALS, PROVIDED THAT SANTA FE SHALL NOT HAVE THE RIGHT TO GO UPON OR USE THE SURFACE OF SAID LAND, OR ANY PART THEREOF FOR THE PURPOSE OF DRILLING FOR, MINING, OR OTHERWISE REMOVING ANY OF SAID MINERALS, SANTA FE MAY HOWEVER, AND HEREBY RESERVES THE RIGHT TO REMOVE ANY OF SAID MINERALS FROM SAID LAND BY MEANS OF WELLS, SHAFTS, TUNNELS OR OTHER MEANS OF ACCESS TO SAID MINERALS WHICH MAY BE CONSTRUCTED, DRILLED OR DUG FROM OTHER LAND, PROVIDED THAT THE EXERCISE OF SUCH RIGHTS BY SANTA FE SHALL IN NO WAY INTERFERE WITH OR IMPAIR THE USE OF THE SURFACE OF THE LAND HEREBY CONVEYED OR OF ANY IMPROVEMENTS THEREON, AS THE SURFACE OF THE LAND HEREBY CONVEYED OR OF ANY IMPROVEMENTS THEREON, AS RESERVED BY TILE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, HEREINAFTER CALLED "SANTA FE", A CORPORATION IN DEED RECORDED JULY 7, 1980 AS INSTRUMENT NO. 80-644559 OFFICIAL RECORDS.

PARCEL C:

LOTS 13, 14, 15, 16 AND 17, IN BLOCK "V" OF ADDITION NO. 3 TO THE TOWN OF MONROVIA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA. AS PER MAP RECORDED IN BOOK 23 PAGE 76 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXHIBIT "B"

FORM OF GRANT DEED

~ (Attached.)

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO
(AND SEND TAX STATEMENTS TO):

415 S. Ivy Avenue
Monrovia, California 91016
Attn: City Clerk's Office

APN: _____

[SPACE ABOVE FOR RECORDER'S USE ONLY]

GRANT DEED

THE UNDERSIGNED GRANTOR DECLARES AS FOLLOWS:

The undersigned declares that this Grant Deed is exempt from Recording Fees pursuant to California Government Code Section 27383.

Documentary Transfer Tax is \$_____.

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged the **CITY OF MONROVIA**, as successor agency to the Monrovia Redevelopment Agency ("Grantor") hereby grants to **820 S. MAGNOLIA AVENUE, LLC**, a California limited liability company ("Grantee"), the land and located in the County of Los Angeles, State of California, more particularly described on **Exhibit A** attached hereto and incorporated herein by reference and all improvements thereon (collectively, the "Property").

SUBJECT TO:

General and special real property taxes and assessments and supplemental assessments for the current fiscal year;

All liens, encumbrances, easements, covenants, conditions and restrictions of record; and

All matters which would be revealed or disclosed in an accurate ALTA survey of the Property.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of the date set forth below.

Dated: _____, 2014

CITY OF MONROVIA

By: _____
Print Name: _____
Title: _____

Exhibit A
to Grant Deed

LEGAL DESCRIPTION

THE LAND SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF LOS ANGELES DESCRIBED AS FOLLOWS:

PARCEL A:

THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF MONROVIA, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, BEING A PORTION OF PARCEL 1, PARCEL MAP NO. 11146 FILED JANUARY 18, 1979 IN BOOK 105 PAGE 72 OF PARCEL MAPS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF SAID PARCEL 1; THENCE ALONG THE WESTERLY LINE OF SAID PARCEL 1 SOUTH 0 DEGREES 32 MINUTES 41 SECONDS WEST 81.22 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 621.19 FEET (A RADIAL TO SAID POINT BEARS NORTH 16 DEGREES 59 MINUTES 15 SECONDS EAST); THENCE EASTERLY ALONG SAID CURVE A DISTANCE OF 18.34 FEET TO TANGENCY WITH A LINE THAT IS PARALLEL WITH AND DISTANT NORTHERLY 28.36 FEET AT RIGHT ANGLES FROM THE SOUTHERLY LINE OF SAID PARCEL 1; THENCE ALONG SAID PARALLEL LINE SOUTH 71 DEGREES 19 MINUTES 16 SECONDS EAST 205.75 FEET TO A LINE THAT IS PARALLEL WITH AND DISTANT WESTERLY 75.16 FEET AT RIGHT ANGLES FROM THE EASTERLY LINE OF SAID PARCEL 1; THENCE ALONG LAST SAID PARALLEL LINE NORTH 18 DEGREES 24 MINUTES 38 SECONDS EAST 78.08 FEET TO THE MOST NORTHERLY LINE OF SAID PARCEL 1; THENCE NORTH 71 DEGREES 35 MINUTES 22 SECONDS WEST THEREON 249.00 FEET TO THE POINT OF BEGINNING.

PARCEL B:

THAT PORTION OF PARCEL 1, IN THE CITY OF MONROVIA, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON PARCEL MAP NO. 11146, FILED IN BOOK 105 PAGE 72 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHEASTERLY CORNER OF SAID PARCEL 1; THENCE ALONG BOUNDARY OF SAID PARCEL 1 THE FOLLOWING FIVE (5) COURSES: (1) SOUTH 18 DEGREES 24 MINUTES 38 SECONDS WEST (BEARING BASED ON SAID MAP), 106.44 FEET; THENCE (2) NORTH 71 DEGREES 19 MINUTES 16 SECONDS WEST 478.06; THENCE (3) NORTH 26 DEGREES 58 MINUTES 47 SECONDS EAST, 5.04 FEET; THENCE (4) SOUTH 80 DEGREES 04 MINUTES 16 SECONDS EAST, 103.81 FEET; THENCE (5) EASTERLY ALONG THE ARC OF A CURVE TANGENT TO THE PRECEDING COURSE, CONCAVE SOUTHERLY AND HAVING A RADIUS OF 621.19 FEET, THROUGH A CENTRAL ANGLE OF 7 DEGREES 03 MINUTES 31 SECONDS A DISTANCE OF 76.53 FEET, THENCE CONTINUING EASTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 621.19 FEET THROUGH A CENTRAL ANGLE OF

1 DEGREES 41 MINUTES 29 SECONDS A DISTANCE OF 18.34 FEET TO A POINT OF TANGENCY IN A LINE PARALLEL WITH AND DISTANT NORTHERLY 28.36 FEET MEASURED AT RIGHT ANGLES FROM THE SOUTHERLY LINE OF SAID PARCEL 1; THENCE SOUTH 71 DEGREES 19 MINUTES 16 SECONDS EAST ALONG SAID PARALLEL LINE, 205.75 FEET; THENCE NORTH 10 DEGREES 24 MINUTES 38 SECONDS EAST, 78.08 FEET TO A POINT IN THE MOST NORTHERLY LINE OF SAID PARCEL 1; THENCE SOUTH 71 DEGREES 35 MINUTES 22 SECONDS EAST ALONG SAID NORTHERLY LINE, 75.16 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM SAID PARCEL B ALL MINERALS CONTAINED IN THE ABOVE DESCRIBED LAND, HYDROCARBON SUBSTANCES, AS WELL AS METALLIC OR OTHER SOLID MINERALS, PROVIDED THAT SANTA FE SHALL NOT HAVE THE RIGHT TO GO UPON OR USE THE SURFACE OF SAID LAND, OR ANY PART THEREOF FOR THE PURPOSE OF DRILLING FOR, MINING, OR OTHERWISE REMOVING ANY OF SAID MINERALS, SANTA FE MAY HOWEVER, AND HEREBY RESERVES THE RIGHT TO REMOVE ANY OF SAID MINERALS FROM SAID LAND BY MEANS OF WELLS, SHAFTS, TUNNELS OR OTHER MEANS OF ACCESS TO SAID MINERALS WHICH MAY BE CONSTRUCTED, DRILLED OR DUG FROM OTHER LAND, PROVIDED THAT THE EXERCISE OF SUCH RIGHTS BY SANTA FE SHALL IN NO WAY INTERFERE WITH OR IMPAIR THE USE OF THE SURFACE OF THE LAND HEREBY CONVEYED OR OF ANY IMPROVEMENTS THEREON, AS THE SURFACE OF THE LAND HEREBY CONVEYED OR OF ANY IMPROVEMENTS THEREON, AS RESERVED BY THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, HEREINAFTER CALLED "SANTA FE", A CORPORATION IN DEED RECORDED JULY 7, 1980 AS INSTRUMENT NO. 80-644559 OFFICIAL RECORDS.

PARCEL C:

LOTS 13, 14, 15, 16 AND 17, IN BLOCK "V" OF ADDITION NO. 3 TO THE TOWN OF MONROVIA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA. AS PER MAP RECORDED IN BOOK 23 PAGE 76 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.