



REDEVELOPMENT AGENCY AGENDA REPORT



DEPARTMENT: Administration

MEETING DATE: September 2, 2003

PREPARED BY: Kevin O'Brien,
Redevelopment Division Manager

AGENDA LOCATION: MRA-2

TITLE Authorization to Sell Agency-Owned Real Property Located at 139 East Olive Avenue to The Bates Company and enter into a Shared Parking Agreement, Resolution No 14-2003.

OBJECTIVE The Redevelopment Agency is requesting the authorization to sell surplus property located at 139 East Olive Avenue with the condition of retaining the parking area located at the rear of the property and enter into Shared Parking Agreement ("Agreement") between the Agency, and The Bates Company (the "Buyer"), which would allow for the expansion of City Parking Lot 6. A map of the site is attached to this report, marked as Exhibit "A"

BACKGROUND: With the addition of the Krikorian Theater in Old Town and the establishment of new restaurants and shops, Old Town Monrovia is enjoying a significant increase in pedestrian and vehicular traffic. In anticipation of the theater, a committee was established to provide community input in the development of Old Town. The Vision 2000 Committee identified parking as a crucial issue. As part of the planning process for the theater, extensive studies were conducted as to the adequacy of the existing parking supply in Old Town. Although the studies indicated that the existing supply could handle the immediate needs following the opening of the theater, continued growth would ultimately strain existing resources. The cost to construct new surface level parking spaces is extremely expensive and with limited financial resources, not financially feasible. Alternatives are being explored, taking into account the need to meet increasing demand while minimizing the development cost. One alternative that is currently being pursued is the expansion of City Parking Lot 6.

The Agency acquired the subject residential property, along with the adjacent commercial structure immediately to the east, to serve as possible relocation facilities for an unrelated development. When they were not needed for the anticipated use, the commercial site was sold to The Bates Company, who subsequently rehabilitated the building for use as its main office. The subject property, a historic residential structure was retained by the Agency to allow for the relocation of the tenant that resided at that location. The tenant has since been relocated and the Agency is now interested in selling the structure to The Bates Company, and retaining the right to use the rear portion of the site for public parking.

ANALYSIS: The revitalization of Old Town, including the increased number of special events and business promotions has attracted a growing number of pedestrian and vehicular traffic.

MRA-2

to this section of the City Predictably, this has resulted in an increased demand for parking As stated above, one program that the Agency is currently pursuing is the expansion of existing City Lot 6

Parking Lot 6, which is located on the south side of the 100 block of East Colorado Boulevard has the existing capacity of 60 vehicles, and is one of the first parking lots to fill each day The Agency has been pursuing a program that would incorporate the existing adjoining private parking lots with Lot 6, and make them available for public use

The Agency currently owns the property located at 139 E Olive Avenue, historically known as the Thomas Wardall residence The site was purchased three years ago for \$200,000 The site includes a substantial parking area at the rear of the site The structural and yard improvements have deteriorated over the years and are in need of significant rehabilitation

Last year, The Bates Company purchased the adjoining property at 143-147 East Olive Avenue They did an excellent job in the rehabilitation of this site, making an extraordinary effort to restore the building The Agency will require that the same type of high quality rehabilitation will be made to 139 East Olive Avenue

The rehabilitation of 139 East Olive Avenue must take into consideration the historical significance of this turn-of-the century home, as well as, its integration into the central business district By rehabilitating the property for office use, the adaptive reuse of this property will allow it to remain a viable community asset

Agency staff has negotiated an agreement in which the Redevelopment Agency will sell the fee title of the property to The Bates Company for the consideration of \$100,000 and a Parking Easement for the rear portion of the lot This will permit the lot to be incorporated into City Lot 6 The terms and conditions of the Parking Easement are similar to those granted at the adjacent property, however, there will be no restrictions as to the hours that the City may utilize the lot for public parking Approximately 22 new parking spaces will be added to Lot 6 This equates to a cost of approximately \$5,000 per space, which is well below the typical \$15-20,000 cost to develop new parking spaces in Old Town Consequently, the proposed sale and reservation of the Parking Easement represents a very economical investment in the development of new parking for Old Town

In addition, as part of the consideration to the Agency in this transaction, The Bates Company will commit to acquiring the adjoining parcel to the west, for up to its fair market value, as established by an independent appraisal They will also commit to granting a Parking Easement to the Agency in the same form as granted in this Agreement

OPTIONS: The Agency Board's options are as follows.

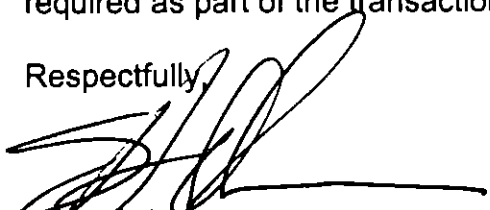
- 1 To adopt Resolution No 14-2003, authorizing the Agency to enter into the Purchase Agreement and the Shared Parking Agreement as proposed with The Bates Company
- 2 Instruct staff to renegotiate the terms of the Agreement and Easement
- 3 Elect not to enter into the transaction

FISCAL IMPACT: The Bates Company will purchase the property located at 139 E Olive Avenue for a cash consideration of \$100,000 and enter into a Parking Easement Agreement valued at \$100,000 for a total value of \$200,000.

RECOMMENDATION: Staff recommends that the Agency Board adopt Resolution No 14-2003, authorizing the Agency to enter into the Purchase Agreement and the Shared Parking Agreement with the Buyer

AGENCY ACTION REQUIRED: If the Agency Board concurs, the appropriate action would be a motion to adopt Resolution No 14-2003 and authorize the execution of any documentation required as part of the transaction

Respectfully,

A handwritten signature in black ink, appearing to read 'Scott Ochoa', with a horizontal line extending to the right from the end of the signature.

Scott Ochoa
Assistant Executive Director

RESOLUTION NO. 14-2003

A RESOLUTION OF THE MONROVIA REDEVELOPMENT AGENCY OF THE CITY OF MONROVIA, CALIFORNIA APPROVING THE SALE OF THE REAL PROPERTY LOCATED AT 139 E. OLIVE AVENUE AND ENTER INTO A SHARED PARKING AGREEMENT WITH THE BATES COMPANY.

THE REDEVELOPMENT AGENCY OF THE CITY OF MONROVIA DOES hereby resolve as follows

WHEREAS, the Monrovia Redevelopment Agency (the "Agency") is engaged in activities to carry out and implement the Redevelopment Plan (the "Redevelopment Plan") for the Monrovia Redevelopment Project Area (the "Project Area"), and

WHEREAS, in order to carry out and implement such Redevelopment Plan, the Agency proposes to enter into that certain Purchase Agreement (the "Purchase Agreement") with The Bates Company to sell certain surplus property (the "Site"), at 139 East Olive Avenue, and

WHEREAS, in order to carry out and implement such Redevelopment Plan, the Agency proposes to enter into that Shared Parking Agreement (the "Shared Parking Agreement") with The Bates Company for certain property (the "Site") located at 139 East Olive Avenue, which would permit the Agency to expand City Parking Lot 6; and

WHEREAS, in order to further facilitate in the elimination of physical blight within the Project Area, The Bates Company will enter into a Shared Parking Agreement with the Agency for the parking spaces located at the property.

NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF MONROVIA DOES HEREBY FIND, DETERMINE, ORDER AND RESOLVE AS FOLLOWS:

SECTION 1. The Agency hereby finds and determines, based upon substantial evidence provided in the record before it, that the disposition and development of the Site will eliminate physical and economic blight within the Project Area

SECTION 2. The Agency hereby finds and determines that the future use of the Site will be in conformance with the redevelopment plan, for which an Environmental Impact Report (EIR) has been certified, and that any further environmental impacts not covered by the EIR will be the subject of further California Environmental Quality Act (CEQA) analysis prior to the approval of the use

SECTION 3. The Agency hereby approves the sale of 139 East Olive Avenue for the cash consideration of \$100,000 and the acceptance of the Shared Parking Agreement. The Executive Director of the Agency is authorized and directed to execute the Purchase Agreement on behalf of the Agency. A copy of the Purchase Agreement

when executed shall be placed on file in the office of the Agency Secretary. The Executive Director of the Agency is authorized and directed to implement the Purchase Agreement and execute all escrow documents and other documents necessary to carry out the Purchase Agreement.

SECTION 4. The Agency hereby approves the Shared Parking Agreement substantially in the form attached hereto. The Executive Director of the Agency is authorized and directed to execute the Shared Parking Agreement on behalf of the Agency. A copy of the Shared Parking Agreement when executed shall be placed on file in the office of the Agency Secretary. The Executive Director of the Agency is authorized and directed to implement the Shared Parking Agreement and execute all documents necessary to carry out the Shared Parking Agreement.

SECTION 5. The City Clerk shall certify to the adoption of this Resolution, and the same shall be effective September 2, 2003.

PASSED, APPROVED and ADOPTED this 2nd day of September, 2003 by the following vote:

AYES:
NOES:
ABSTAIN:
EXCUSED:

BY:

Rob Hammond, Chairman
Monrovia Redevelopment Agency

ATTEST

Linda B. Proctor, CMC, City Clerk
City of Monrovia

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) §
CITY OF MONROVIA)

I, LINDA B PROCTOR, CMC, City Clerk of the City of Monrovia, California, do hereby certify that the foregoing Resolution No 14-2003 was introduced and adopted at a regular meeting provided by law of the Monrovia Redevelopment Agency held on the 2nd day of September, 2003 by the following vote

AYES:

NOES:

ABSTAIN:

EXCUSED:

ATTEST

Linda B. Proctor, CMC, City Clerk
City of Monrovia

PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS

TO Monrovia Escrows
346 W Foothill Blvd
Monrovia, CA 91016

Escrow No _____ ("Escrow")
Date of Opening of
Escrow _____

THIS PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS (the "Agreement") is made as of _____, 2003, by and among **THE BATES COMPANY** (the "Buyer"), and the **MONROVIA REDEVELOPMENT AGENCY**, a public body, corporate and politic (the "Seller")

RECITALS

A Seller is the owner of that certain real property located at 139 East Olive Avenue, Monrovia, California 91016, and more particularly described in the Legal Description which is attached hereto as Exhibit "A" and incorporated herein by this reference (the "Property") The Property is currently improved with a two-story single family residence

B Buyer desires to purchase, and Seller desires to sell, all of the Seller's right, title and interest in and to the Property, subject to the terms and provisions contained herein

NOW, THEREFORE, in consideration of the foregoing recitals and the covenants and conditions contained herein, and in the other documents referred to herein relating to the purchase and sale of the Property, and other valuable consideration, the receipt of which are hereby acknowledged, Seller and Buyer agree as follows.

1. Purchase and Sale. Upon all the terms and conditions contained herein, Buyer hereby agrees to purchase all of Seller's right, title, goodwill and interest in and to the Property, and Seller agrees to sell all of the Seller's right, title, goodwill and interest in and to the Property to Buyer

2. Purchase Price The all-inclusive purchase price (the "Purchase Price") for the Property shall be One Hundred Thousand Dollars (\$100,000) The Agency shall retain a Parking Easement to the property which will permit a portion of the property to be incorporated into City Lot 6 The Purchase Price shall be paid into the Escrow in cash, check, or other immediately available funds prior to the Closing of Escrow

3. Waiver of Further Compensation for Relocation Assistance and Goodwill. Seller hereby waives any and all present and future claims for relocation assistance, benefits and/or payments to which Seller may be entitled pursuant to Government Code Section 7260 *et seq*

4. Escrow. References in this Agreement to the "Opening of Escrow" shall mean the date a copy of this Agreement signed by the parties is deposited with Escrow Holder The opening of Escrow shall occur within five (5) days of the Effective Date of this Agreement Escrow Holder will notify both parties when Escrow has opened By this Agreement, Escrow

Holder is hereby authorized and instructed to act in accordance with the provisions of this Agreement. Buyer and Seller shall each deposit such other instruments as are reasonably necessary to close Escrow and complete the sale and purchase of the Property in accordance with the terms of this Agreement. The rights and obligations of each party set forth in this Agreement and agreed to be undertaken by each party are made in and under the terms of this Agreement independent of Escrow. If any requirements relating to the duty of the Escrow Holder under this Agreement are not reasonably acceptable to the Escrow Holder, or if Escrow Holder determines that it requires additional instructions in order to perform its duties hereunder, the parties agree to make such deletions, substitutions and additions to these escrow instructions as may be mutually agreed upon by the parties provided such deletions, substitutions and additions do not substantially change the Agreement or its intent.

5. Close of Escrow. Escrow shall close on or before the date hereafter specified by Buyer and Seller but in no event later than October 24, 2003 (the "Closing Date"). Seller shall be entitled to full compensation upon delivery to escrow of a fully executed grant deed, Shared Parking Agreement and Parking Easement in favor of the Monrovia Redevelopment Agency. For purposes of this Agreement, the "Close of Escrow" shall mean the date the Grant Deed, as defined herein, is filed for recordation with the Recorder of Los Angeles County, California.

6. Costs and Prorations

(a) **Prorations.** Escrow Holder shall prorate rents, *ad valorem* and personal property taxes and assessments and utility charges (if any) as to the Property between Seller and Buyer as of the Close of Escrow.

(b) **Costs to be Paid by Buyer.** Buyer shall pay for Buyer's share of the cost of Buyer's Title Policy as provided in Section 12 hereof, all Escrow fees, and the costs of any survey of the Property. Buyer shall also pay any transfer taxes on the conveyance, the cost of recording the Grant Deed, Seller's share of the cost of Buyer's Title Policy as provided in Section 12 hereof. All costs associated with the sale shall be paid by the buyer.

7. Buyer's Conditions Precedent to Closing. The obligation of Buyer to complete the purchase and sale of the Property is subject to satisfaction of the following conditions set forth at or prior to the Closing Date:

(a) Seller shall deliver through Escrow (i) a duly executed grant deed in the form of Exhibit "B" hereto, which is incorporated herein (the "Grant Deed"), (ii) all other documents referenced in Section 12(a).

(b) Seller shall not be in default in any of its obligations under the terms of this Agreement.

(c) Escrow Holder shall have committed to deliver to Buyer a standard coverage CLTA or ALTA Owner's Policy of Title Insurance dated as of the Close of Escrow, issued by Escrow Holder, insuring Buyer in an amount equal to the Purchase Price, and showing the Seller's right, title and interest in and to the Property vested in Buyer subject only to

(i) Current real property taxes and all unpaid general and special bonds or assessments,

- (ii) The printed exceptions contained in said title insurance policy,
- (iii) The existing lease and/or sublease on the Property,
- (iv) Any matter suffered, approved or created by Buyer

8. Seller's Conditions Precedent to Closing. The obligation of Seller to complete the sale of the Property is subject to the satisfaction of the conditions set forth below at or prior to Close of Escrow

(a) Buyer shall not be in default in any of its obligations under the terms of this Agreement

(b) Buyer shall have deposited with Escrow Holder the Purchase Price and Buyer's share of prorations and costs described herein

9. Warranties and Representations of Seller. Seller hereby makes the following representations, covenants and warranties for the benefit of Buyer and Buyer's successors and assigns, and acknowledges that the execution of this Agreement by Buyer has been made, and the acquisition by Buyer of the Property will have been made in *MATERIAL* reliance by Buyer on such covenants, representations and warranties

(a) Seller is the owner of and has the full right, power and authority to sell, convey and transfer its right, title and interest in and to the Property to Buyer as provided herein and to carry out Seller's obligations hereunder

(b) Seller has not been given actual notice of any violation of condition of the Property which violates applicable laws, regulations, codes, or covenants, conditions, or restrictions, or of improvements or alterations made to the Property without a permit where one was required, or of any unfulfilled order or directive of any applicable governmental agency, or any casualty insurance company that any work of investigation, remediation, repair, maintenance or improvement is to be performed on the Property

(c) Seller is not aware of any actions, suits, or proceedings pending or threatened before any government department, commission, board, bureau, agency, court or instrumentality that would affect the Property or the right to occupy or utilize same

(d) Seller is not the subject of a bankruptcy proceeding and to Seller's knowledge, permission of a bankruptcy court is not necessary for Seller to be able to transfer the Property as provided herein

10. Documents to be Delivered at Close of Escrow.

(a) Prior to Close of Escrow, Seller shall deliver the documents described below to Escrow Holder

- (i) The Grant Deed, originally executed and acknowledged

- (ii) A non-foreign transferor declaration (the "Non-Foreign Transferor Declaration"), duly executed
- (iii) Such documents as are necessary to comply with Seller's obligations under this Agreement, or if not delivered, Escrow Holder is authorized to use Seller's proceeds from the sale in Escrow Holder's possession to pay such obligations

(b) Prior to the Close of Escrow, Buyer shall deposit with Escrow Holder the

following

- (i) The Purchase Price
- (ii) Such other funds and documents as are necessary to comply with Buyer's obligations under this Agreement

11. Escrow Holder's Instructions. At such time as (i) the conditions precedent to Close of Escrow described in Sections 8 and 9 above have been satisfied or waived, (ii) Escrow Holder is prepared to issue the title policy described in Section 12 below, and (iii) Escrow Holder has received the documents and funds specified in Section 10 above, Escrow Holder shall

(a) record the Grant Deed in the office of the county recorder of Los Angeles County, California,

(b) deliver to Seller funds in the amount of the Purchase Price, less Seller's share of prorations and costs described herein, including any costs to pay off existing encumbrances,

(c) deliver to Buyer the Non-Foreign Transferor Declaration,

(d) report all information required pursuant to Internal Revenue Code Section 6045(e), and provide copies of all such reports to all parties hereto

12. Title Insurance Policy. At close of Escrow, Escrow Holder shall issue or cause to be issued to Buyer a CLTA Owners Policy of Title Insurance, or at Buyer's option an ALTA owner's policy of title insurance (the "Buyer's Title Policy"), together with any endorsements reasonably requested by Buyer, in an amount equal to the Purchase Price, showing fee simple title to the Property vested in Buyer, subject only to those exceptions described in Section 8(c) above. Buyer shall be responsible for the cost of the Buyer's Title Policy, and Buyer shall be responsible for all additional costs of the Buyer's Title Policy

13. Improvements to the Property. The subject property is a historic structure that has been utilized as a dwelling since it was constructed approximately 100 years ago. The upgrade of the structure is a significant factor in the Agency's decision to sell the property to the Buyer. Within 18 months of acquiring the site, the Buyer will complete a historically sensitive restoration of the structure designed to both improve the physical appearance and function of the building. The permissible reuse of the property shall be determined by the applicable relevant City ordinances. If the rehabilitation has not been commenced within 18 months of the close of escrow, the Agency shall have the option to repurchase the property for \$100,000

14. Commitment to acquire Penmax Property. As a part of this transaction, the Buyer will commit to acquire the neighboring Penmax property, which is located at 135 East Olive Avenue at its fair market value, as established by an independent appraisal completed by the appraisal firm of Fred Campagna and Associates. At its option, the Agency may elect to fund any difference that may exist between the fair market value and any ultimate sales price to facilitate the transaction. In addition, in the event the Buyer acquires the property, it shall within 90 days of taking title, grant the Agency a parking easement over the unimproved portion of the lot, in a form of agreement that is similar in terms to that granted by this Agreement. The failure to timely grant such an easement will result in liquidated damages to the Agency in the amount of \$200,000, which sum shall be due to the Agency immediately following the expiration of the 90 day period of the buyer taking title.

15. Waiver, Consent and Remedies. Each provision of this Agreement to be performed by Buyer and Seller shall be deemed both a covenant and a condition and shall be a material consideration for Seller's and Buyer's performance hereunder, as appropriate, and any breach thereof by Buyer or Seller shall be deemed a material default hereunder. Either party may specifically and expressly waive in writing any portion of this Agreement or any breach thereof, but no such waiver shall constitute a further or continuing waiver of a preceding or succeeding breach of the same or any other provision. A waiving party may at any time thereafter require further compliance by the other party with any breach or provision so waived. The consent by one party to any act by the other for which such consent was required shall not be deemed to imply consent or waiver of the necessity of obtaining such consent for the same or any similar acts in the future. No waiver or consent shall be implied from silence or any failure of a party to act, except as otherwise specified in this Agreement. All rights, remedies, undertakings, obligations, options, covenants, conditions and agreements contained in this Agreement shall be cumulative and no one of them shall be exclusive of any other. Except as otherwise specified herein, either party hereto may pursue any one or more of its rights, options or remedies hereunder or may seek damages or specific performance in the event of the other party's breach hereunder, or may pursue any other remedy at law or equity, whether or not stated in this Agreement.

16. Notices. Any notice, request, demand, consent, approval or other communication required or permitted hereunder or by law shall be validly given or made only if in writing and delivered in person to an officer or duly authorized representative of the other party or deposited in the United States mail, duly certified or registered (return receipt requested), postage prepaid, and addressed to the party for whom intended, as follows:

If to Buyer: The Bates Company
143 Olive Avenue
Monrovia, CA 91016
Attention: Gilbert Bates

If to Seller: Monrovia Redevelopment Agency
415 South Ivy Avenue
Monrovia, CA 91016
Attention: Assistant Executive Director

If to Escrow Agent: Monrovia Escrows
346 W Foothill Boulevard
Monrovia, CA 91016

Any party may from time to time, by written notice to the other, designate a different address which shall be substituted for that specified above. If any notice or other document is sent by mail as aforesaid, the same shall be deemed fully delivered and received forty-eight (48) hours after mailing as provided above.

17. Entire Agreement. This Agreement and its exhibits constitute the entire agreement between the parties hereto pertaining to the subject matter hereof, and the final, complete and exclusive expression of the terms and conditions thereof. All prior agreements, representations, negotiations and understandings of the parties hereto, oral or written, express or implied, are hereby superseded and merged herein.

18. Captions. The captions used herein are for convenience only and are not a part of this Agreement and do not in any way limit or amplify the terms and provisions hereof.

19. Governing Law. This Agreement and the exhibits attached hereto have been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California.

20. Invalidity of Provision. If any provision of this Agreement as applied to either party or to any circumstance shall be adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, the same shall in no way affect (to the maximum extent permissible by law) any other provision of this Agreement, the application of any such provision under circumstances different from those adjudicated by the court, or the validity or enforceability of this Agreement as a whole.

21. Amendments. No addition to or modification of any provision contained in this Agreement shall be effective unless fully set forth in writing by both Buyer and Seller.

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

23. General Provisions Applicable to Escrow Holder.

(a) All disbursements shall be made by your check. All funds received in this Escrow shall be deposited in one or more of your general escrow accounts with any bank doing business in the State of California and may be transferred to any other general Escrow account or accounts. Recordation of any instruments delivered through this Escrow, if necessary or proper in the issuance of the Buyer's Title Policy is hereby authorized.

(b) The Buyer agrees to pay all costs, damages, judgments and expenses, including reasonable attorneys' fees, suffered or incurred by you in connection with, or arising out of this Escrow, including, but without limiting the generality of the foregoing, a suit in interpleader brought by you. In the event you file a suit in interpleader, you shall be fully released and discharged from all obligations imposed upon you in this Escrow.

(c) Escrow Holder is authorized to insert appropriate amounts and the date on which Close of Escrow occurs, in documents deposited by the parties in this Escrow

(d) All prorations and/or adjustments called for in this Escrow are to be made on the basis of a thirty (30) day month unless otherwise instructed in writing

24. Non-Discrimination. Buyer herein covenants by and for itself and 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, marital status, age, national origin or ancestry in the sale, lease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the Buyer itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land

25. Broker's Commission. Neither the Buyer or the Seller is represented by a Broker, and no sales commission shall be done in connection with the transaction

26. Gender and Number. In this Agreement (unless the context requires otherwise), the masculine, feminine and neuter genders and the singular and the plural shall be deemed to include one another, as appropriate

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above

SELLER:

MONROVIA REDEVELOPMENT AGENCY,
a public body, corporate and politic

By _____
Scott Ochoa
MRA Assistant Executive Director

ATTEST:

Agency Secretary

BUYER:

By _____
Gilbert Bates, The Bates Company

EXHIBIT "A"

LEGAL DESCRIPTION

All that real property situated in the City of Monrovia, Los Angeles County, California,
described as follows

**Lot 22, Block P, Town of Monrovia, as recorded in Book 9, Pages 69 and 70, of
Miscellaneous Records, in the Office of the County Recorder of Los Angeles County, State
of California.**

EXHIBIT "B"
GRANT DEED

[To Be Attached]

SHARED PARKING AGREEMENT

THIS SHARED PARKING AGREEMENT (this "Agreement") is entered into as of _____, 2003, by and between the **MONROVIA REDEVELOPMENT AGENCY**, a public body, corporate and politic (the "Agency"), and **THE BATES COMPANY** (collectively, the "Owner")

RECITALS

A The Owner owns real property located 139 East Olive Avenue in the City of Monrovia (the "Parcel"), a portion of which is devoted to a parking lot (the "Parking Lot") The Parcel is legally described in Exhibit "A" which is attached hereto and incorporated herein, and the Parcel and the Parking Lot are depicted on the Map which is attached hereto as Exhibit "B" and incorporated herein

B The Agency and the Owner desire to enter into this Agreement in order to grant certain rights regarding the use of the Parking Lots to the Agency and its authorized users

C In consideration for the rights granted hereunder, the parties desire for the Agency to make certain improvements to the Parking Lot, and to maintain and operate the Parking Lot The cost of the improvements, maintenance and operation of the Parking Lot will be at the sole expense of the Agency

D The improvement, operation and maintenance of the Parking Lot and the rights granted to Owner and Agency hereunder are in the vital and best interests of the City of Monrovia and the welfare of its residents, and are in accordance with the public purposes and provision of State and local laws

NOW, THEREFORE, the Agency and the Owner hereby agree as follows

1. Parking Easement. The Agency and the Owner shall execute and record in the official records of Los Angeles County a Parking Easement, substantially in the form of Exhibit "C" which is attached hereto and incorporated herein The Parking Easement shall provide for the Owner to grant to the Agency an easement for the use of the Parking Lots, and shall further provide for the Agency's improvement, maintenance, and operation of the Parking Lots There shall be no restrictions as to the hours that the City may utilize the Lot for public parking

2. Improvements to Parking Lots. As a condition of the grant of the Parking Easement, the Agency shall make such improvements to the Parking Lot which the Agency determines are necessary to make the Parking Lot similar to other parking lots owned by the City of Monrovia (the "Parking Lot Improvements") The Parking Lot Improvements shall include a rehabilitation to the current improvements The Parking Lot Improvements shall be at the sole expense of the Agency

3. Cost of Parking Lot Improvements. The Agency shall be solely responsible for any cost, direct or related, of the Parking Lot Improvements The actual cost will be determined following completion of the improvements The Agency shall provide Owner written notification of the actual cost

4. General Provisions

4.1. Attorneys' Fees. In any legal, equitable or arbitration proceeding for the enforcement of or to restrain the violation of this Agreement or any provision hereof, including but not limited to any appeal proceedings, the prevailing party or parties shall also be entitled to an award of reasonable attorneys' fees, in such amount as may be fixed by the court or the arbitrators in such proceedings. All remedies provided herein, or at law or in equity, shall be cumulative and not exclusive.

4.2. Inspection. The Owner shall have the right from time to time at any reasonable hour or hours and upon reasonable notice to enter and inspect the Parking Lot in order to ascertain the extent of compliance with the provisions of this Agreement.

4.3. Relationship Between Agency and Owner. It is hereby acknowledged that the relationship between the Agency and the Owner is not that of a partnership or joint venture and that the Agency and the Owner shall not be deemed or construed for any purpose to be the agent of the other.

4.4. Nondiscrimination. There shall be no discrimination against any person, or group of persons or account of race, color, creed, religion, sex, marital status, age, handicap, ancestry or national origin, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Parking Lots, nor shall either party itself or any person claiming under or through such party, establish or permit any such practice or practices of discrimination or segregation with the reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Parking Lots and/or the improvements thereon.

4.5. Notices, Demands and Communications Between the Parties. Any approval, disapproval, demand, document or other notice ("Notice") which either party may desire to give to the other party under this Agreement must be in writing and shall be sufficient if personally delivered or if sent by United States first class, or certified mail, postage prepaid, or express delivery service (such as FedEx) with a receipt showing the date of delivery, at the address of the party as set forth below, or at any other address as that party may later designate by Notice.

To Agency Monrovia Redevelopment Agency
 415 South Ivy Avenue
 Monrovia, California 91016-2888
 Attention: Kevin O'Brien, Redevelopment Division Manager

To Owner The Bates Company
 Attention: Gilbert Bates
 143 E. Olive Avenue
 Monrovia, California 91016

Any written notice, demand or communication shall be deemed to have been given on the delivery date or the date that delivery is refused by the addressee, as shown on the return receipt or if mailed by first class mail on the fifth (5th) day following the day the notice was deposited in the U.S. Mail.

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

4.7. Severability. If any term, provision, condition or covenant of this Agreement or its application to any party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Agreement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law

4.8. Assignment Agency may, at its option, assign its rights and obligations hereunder to the City of Monrovia without necessity of obtaining the consent of the Owner. The Owner may, at its option, assign its rights and obligations hereunder to any affiliate of the Owner or other public or private party, without necessity of obtaining the consent of the Agency

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

AGENCY:

MONROVIA REDEVELOPMENT AGENCY, a public body, corporate and politic

By _____

ATTEST:

Agency Secretary

OWNER:

THE BATES COMPANY

By _____
Gilbert Bates, Owner

EXHIBIT "A"

LEGAL DESCRIPTION

All that real property situated in the City of Monrovia, Los Angeles County, California, described as follows

Lot 22, Block P, Town of Monrovia, as recorded in Book 9, Pages 69 and 70, of Miscellaneous Records, in the Office of the County Recorder of Los Angeles County, State of California.

COLORADO BOULEVARD

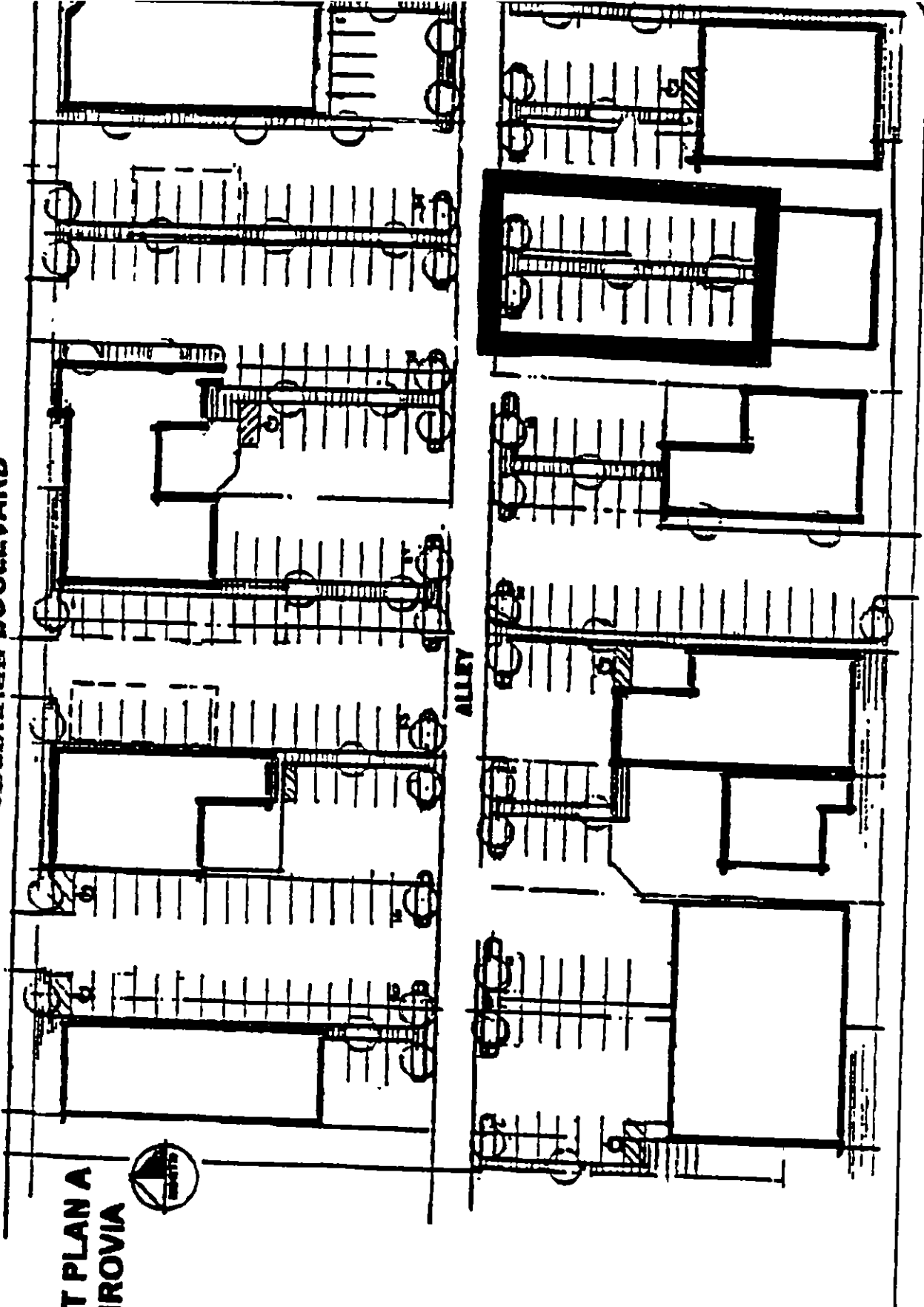
OLIVE AVENUE

ALLEY

PARKING LOT PLAN A
CITY OF MONROVIA



Exhibit "B"



RECORDING REQUESTED BY)
 AND WHEN RECORDED MAIL TO:)
)
 Monrovia Redevelopment Agency)
 415 South Ivy Avenue)
 Monrovia, California 91016-2888)
 Attn Assistant Executive Director)
)

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

PARKING EASEMENT

This **PARKING EASEMENT** (this "Easement") is entered into as of _____, 2003, by **THE BATES COMPANY**(collectively, the "Owner") in favor of the **MONROVIA REDEVELOPMENT AGENCY**, a public body, corporate and politic (the "Agency")

RECITALS

A The Owner owns real property located 139 East Olive Avenue in the City of Monrovia (the "Parcel"), which is improved with a private parking lot and other improvements thereon. The Parcel is legally described in Exhibit "A" which is attached hereto and incorporated herein. The portion of the Parcel devoted to a parking lot is depicted on the Map of Parking Lot which is attached hereto as Exhibit "B" and incorporated herein, and is referred to herein as the "Parking Lot."

B The Agency requires the use of the Parking Lot for use as public parking.

C The Agency and the Owner desire to enter into this Easement in order to provide for the operation and maintenance of the Parking Lot and to grant certain rights regarding the use of the Parking Lot to the Agency and its Authorized Users.

D The operation and maintenance of the Parking Lot and the rights granted to the Owner and the Agency hereunder are in the vital and best interests of the City of Monrovia and the welfare of its residents, and are in accordance with the public purposes and provision of state and local laws.

NOW, THEREFORE, the Agency and the Owner hereby agree as follows:

1. Parking Easement. The Owner hereby grants to the Agency and its invitees, including without limitation the general public (the "Authorized Users"), a nonexclusive easement over the Parking Lot for vehicular parking in the Parking Lot. The Owner reserves the right to use the Parking Lot in the same manner as the general public as provided herein. This grant of easements pursuant to this Section 1 shall not be construed to and is not intended to grant a fee interest in the Parking Lots, nor is it intended to be a lease or license. The Easements shall be appurtenant to and shall be a burden against the Parcel and the Parking Lot.

2. Use of Parking Lot. The Agency and the Authorized Users shall use the Parking Lot subject to and in accordance with all of the terms and conditions of this Easement including, without limitation, the following

a. Parking in Designated Areas. Vehicles shall be parked within the boundaries of any parking spaces striped on the Parking Lot from time to time

b. Pedestrian and Vehicular Ingress and Egress. The Parking Lot shall be accessible for purposes of both pedestrian and vehicular ingress and egress by the Agency and the Authorized Users, provided, however, that the Owner and the Agency may mutually agree, in writing, to close all or a portion of the Parking Lot for certain specific periods of time in accordance with paragraph (e) hereof

c. Hours of Operation. There shall be no restrictions as to the hours that the City may utilize the Parking Lot for public parking

d. Establishment of Rules and Regulations. The Agency may establish reasonable rules and regulations regarding the use of the Parking Lot in order to ensure that the Parking Lot is used in accordance with this Easement, including without limitation, rules and regulations regarding security and traffic control during special events

e. Closure of Parking Lots. The parties may mutually agree in writing to close all or a portion of the Parking Lot in order to allow the parties to undertake any necessary maintenance or repair of the Parking Lot or close certain portions of the Parking Lot as may be required in the mutual judgment of the parties for security and public safety

f. Special Designation of Parking. Notwithstanding the foregoing, the Agency and the Owner may mutually agree in writing to designate parking for special events at different times

3. Not a Public Dedication. Except as specifically provided herein, no individual member of the general public shall be deemed to have acquired a prescriptive easement, easement by implication, or any other right, title, or interest as a result of the use of the Parking Lot or the interests granted herein

4. Easement Term. This Easement shall commence on the date it is recorded ("Commencement Date") and shall remain in effect for a period of fifteen (15) years (the "Term") The Term may be extended for one fifteen year period by the Agency's recordation of an extension to the Term, a copy of which shall be delivered to the Owner

5. Maintenance of Parking Lots. The Agency shall maintain or cause to be maintained the Parking Lots in accordance with the Maintenance Standards, as hereinafter defined The Agency's maintenance obligations shall include the maintenance of the parking areas, sidewalks, pedestrian lighting, landscaping and irrigation of landscaping, and any and all other improvements on the Parking Lot The Owner shall be responsible for the maintenance of the other improvements within the Parcel which is not located within the Parking Lot The Agency shall comply with the following standards ("Maintenance Standards") in the maintenance of the portions of the Parking Lot for which they are responsible

a The Parking Lot and all the equipment thereon shall be maintained in a condition consistent with other parking lots within the City

b The driveways, access ways to and from public streets, landscaping and lighting and every other aspect of the Parking Lot shall be maintained in good operating order and condition and reasonably clean and neat and free from dirt, trash, debris, and graffiti, and in such a manner that the condition thereof does not constitute a nuisance and does not unreasonably interfere with the use and enjoyment of the Parking Lot

c The Parking Lot shall be re-slurried, re-stripped and repainted as often as the Agency deems necessary. In addition, the light standards shall be repainted as the Agency deems necessary in order to ensure that they are maintained in good condition and in order to prevent peeling, cracking, and rusting, and the light fixtures shall be replaced as needed

d Cracked and damaged concrete and asphalt shall be patched and/or replaced as soon as such cracking/damage occurs

e Landscape maintenance shall include, but not be limited to watering/irrigation, fertilization, mowing, edging, trimming of grass, tree and shrub pruning, trimming and shaping of trees and shrubs to maintain a healthy, natural appearance and safe road conditions and visibility, and irrigation coverage, replacement, as needed, of all plant materials, control of weeds in all planters, shrubs, lawns, ground covers, or other planted areas, and staking for support of trees

f Clean-up maintenance shall include, but not be limited to maintenance of all sidewalks, paths and other paved areas in clean and weed-free condition, maintenance of all such areas clear of dirt, mud, trash, debris or other matter which is unsafe or unsightly, removal of all trash, litter and other debris from improvements and landscaping prior to mowing, clearance and cleaning of all areas maintained prior to the end of the day on which the maintenance operations are performed to ensure that all cuttings, weeds, leaves and other debris are properly disposed of by maintenance workers

g All maintenance work shall conform to all applicable federal and state Occupational Safety and Health Act standards and regulations for the performance of maintenance

h Any and all chemicals, unhealthful substances, and pesticides used in and during maintenance shall be applied in strict accordance with all governing regulations. Precautionary measures shall be employed recognizing that all areas are open to public access

If the condition of the Parking Lot does not meet with the Maintenance Standards, the Owner shall give written notice to the Agency of such deficiencies, and such notice shall specify the deficiencies and the actions required to be taken by the Agency to cure the deficiencies. Upon notification of any maintenance deficiency, the Agency shall have thirty (30) days within which to correct, remedy or cure the deficiency. If the written notification states the problem is urgent relating to the public health and safety, then the Agency shall have forty-eight (48) hours to rectify the problem. In the event the Agency has failed to correct, remedy, or cure or has not commenced correcting, remedying or curing such maintenance deficiency after notification and after the period of correction has lapsed, then the Owner shall have the right to maintain such improvements. The Agency agrees to pay the Owner the reasonable amount of such charges and costs

6. **Insurance.** Throughout the Term of this Easement, the Agency shall obtain and maintain policies of commercial general liability insurance which covers the Parking Lot

7. **Obligation to Repair.** The parties shall, after damage or destruction of all or any portion of the Parking Lot, fully restore such portion of the Parking Lot to the condition existing prior to the occurrence of such damage or destruction, if the damage or destruction is due to a cause which is covered by the insurance required under Section 6 hereof

8. **Condemnation.** In the event all or any portion of the Parking Lot is taken pursuant to an exercise of the power of eminent domain by any lawful authority, the Owner shall be entitled to all portions of any condemnation award for its respective parcels and this Easement shall terminate as to the portion or portions of the Parking Lot taken as of the date possession is delivered to the condemning authority, but shall continue in effect as to all portions of the Parking Lot not taken

9. **Covenants Running With The Land.** The easements, rights, covenants, benefits and obligations hereunder shall create servitudes upon and running with the Parcel and the Parking Lot, and shall be binding upon the Owner and all successive owners of each portion of the Parcel and the Parking Lot for the benefit of the Agency and its successors and assigns. This Easement shall continue in full force and effect until the expiration of the Term, including any extensions thereof, as provided in Section 4 hereof. This Easement shall create privity of contract and of estate with and among the owners of the Parcel and the Parking Lot, or any part thereof, their heirs, administrators, executors, successors and assigns, and the Agency and its successors and assigns

10. **Notice and Opportunity to Cure.** In the event of a violation of any provision hereof by either the Agency or the Owner, no breach shall be deemed to have occurred hereunder unless the party committing such violation fails to cure within thirty (30) days after written notice to do so by the other party, provided that if such violation cannot be cured within such thirty (30) day period, no breach shall be deemed to have occurred unless the party committing the violation has failed to commence such cure within such thirty (30) day period and thereafter diligently to prosecute such cure to completion. In the event a default is not cured within the time provided herein, the non-defaulting party may, but is not obligated to, cure the default, in which event the defaulting party upon demand shall reimburse the non-defaulting party all costs and expenses incurred in curing the default, including but not limited to reasonable attorneys' fees. In the event a default is not cured within the time provided herein, the non-defaulting party shall be entitled to any and all remedies available at law or in equity. The rights and remedies created hereunder, including those not specifically described, shall be cumulative and, except as otherwise may be provided by California statutory law in effect at the time, the parties may pursue any or all of such rights and remedies, at the same time or separately. No delay or omission of Agency or Owner to exercise any right or remedy shall be construed as a waiver of any such right or remedy or of any default by the other party hereunder

11. **Allocation of Real Property Taxes.** The Owner shall pay all real property taxes and assessments on the Parking Lot, to the extent applicable

12. **Attorneys' Fees.** In any legal, equitable or arbitration proceeding for the enforcement of or to restrain the violation of this Easement or any provision hereof, including but not limited to any appeal proceedings, the prevailing party or parties shall also be entitled to an award of reasonable attorneys' fees, in such amount as may be fixed by the court or the arbitrators in such proceedings. All remedies provided herein, or at law or in equity, shall be cumulative and not

exclusive

13. Recordation of Easement. This Easement shall be recorded in the Official Records of Los Angeles County, California as an encumbrance against the Parcels and the Parking Lots

14. Relationship Between Agency and Owner. It is hereby acknowledged that the relationship between the Agency and the Owner is not that of a partnership or joint venture and that the Agency and the Owner shall not be deemed or construed for any purpose to be the agent of the other

15. Nondiscrimination. There shall be no discrimination against any person, or group of persons or account of race, color, creed, religion, sex, marital status, age, handicap, ancestry or national origin, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of Parking Lots, nor shall either party itself or any person claiming under or through such party, establish or permit any such practice or practices of discrimination or segregation with the reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Parking Lots and/or the improvements thereon

16. Notices, Demands and Communications Between the Parties. Any approval, disapproval, demand, document or other notice ("Notice") which either party may desire to give to the other party under this Easement must be in writing and shall be sufficient if personally delivered, or if sent by United States first class, or certified mail, postage prepaid, or if sent by express delivery service (such as FedEx) with a receipt showing the date of delivery, at the address of the party as set forth below, or at any other address as that party may later designate by Notice

To Agency Monrovia Redevelopment Agency
415 South Ivy Avenue
Monrovia, California 91016-2888
Attention Executive Director

To Owner The Bates Company
c/o Gilbert Bates
143 East Olive Avenue
Monrovia, California 91016

Any written notice, demand or communication shall be deemed to have been given on the delivery date or the date that delivery is refused by the addressee, as shown on the return receipt or if mailed by first class mail on the fifth (5th) day following the day the notice was deposited in the U S Mail

17. Constructive Notice. Every person who now or hereafter owns or acquires the right, title or interest in or to the Parking Lot or any part thereof (for other than security purposes), is and shall be conclusively deemed to have consented and agreed to, and is and shall be bound by, every covenant, condition, restriction and easement contained herein, whether or not any reference to this Easement is contained in the deed or other instrument by which such person acquired an interest therein

18. Applicable Law. The laws of the State of California shall govern the interpretation and enforcement of this Easement

19. Severability. If any term, provision, condition or covenant of this Easement or its application to any party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Easement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law

20. Assignment. Agency may, at its option, assign its rights and obligations hereunder to the City of Monrovia without necessity of obtaining the consent of the Owner. The Owner may, at its option, assign its rights and obligations hereunder to any affiliate of the Owner or other public or private party, without necessity of obtaining the consent of the Agency

IN WITNESS WHEREOF, the undersigned have executed this Easement as of the day and year first written above

AGENCY:

MONROVIA REDEVELOPMENT AGENCY, a public body, corporate and politic

By _____

ATTEST:

Agency Secretary

OWNER:

The Bates Company

By _____
Gilbert Bates, Owner

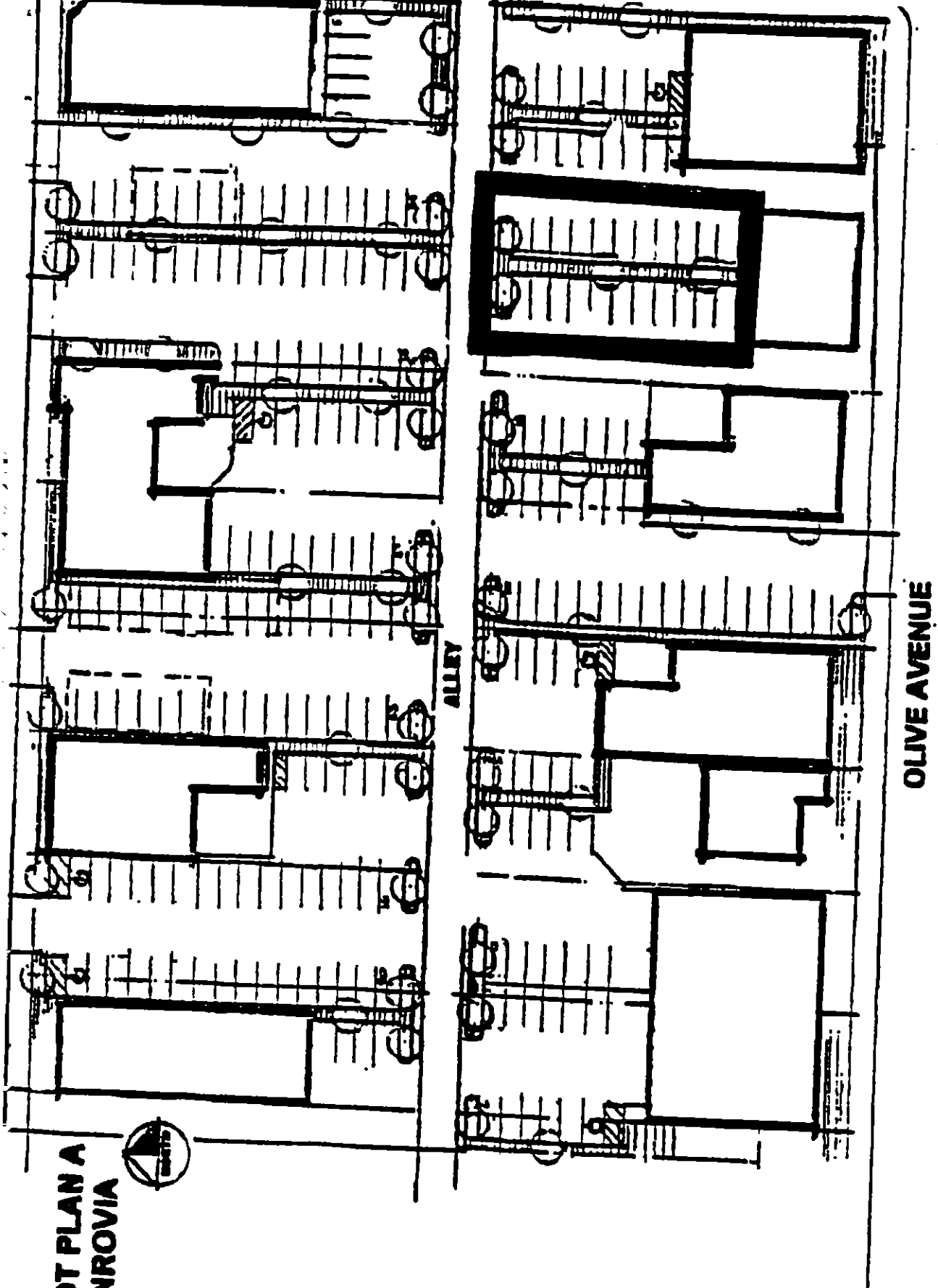
EXHIBIT "A"

LEGAL DESCRIPTION

All that real property situated in the City of Monrovia, Los Angeles County, California, described as follows

Lot 22, Block P, Town of Monrovia, as recorded in Book 9, Pages 69 and 70, of Miscellaneous Records, in the Office of the County Recorder of Los Angeles County, State of California.

**PARKING LOT PLAN A
CITY OF MONROVIA**



OLIVE AVENUE

Exhibit "B"