

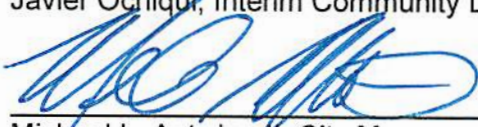
AGENDA ITEM 1

City of Bell Agenda Report

DATE: February 25, 2026

TO: Mayor and Members of the City Council

FROM: Javier Ochiqui, Interim Community Development Director

APPROVED BY: 
Michael L. Antwine II, City Manager

SUBJECT: Public Hearing - Consideration to approve a Disposition and Development Agreement (DDA) between the City of Bell and Gentefy Holdings, LLC, for the property located at 4410 Gage Avenue.

RECOMMENDATION:

It is recommended that the City Council:

1. Open the public hearing
2. Receive public testimony and accept any additional written protests
3. Approve the Disposition and Development Agreement (DDA)

BACKGROUND:

In January 2018, the city approved a Purchase and Sale Agreement with Gage Pine LLC. (aka Atwater). However, Atwater was unable to develop the project. In 2024, the city purchased back the property. Since then, staff have been working to find alternative developers/tenants that could realize a food hall concept based on the original vision of this project.

Staff have identified Gentefy Holding, LLC., as the new developer that could deliver on the Food Hall concept project. In addition, this site has been cleared through the Surplus Land Act process and is ready to be developed. This project aligns with the City Council's 2023-25 Strategic Plan.

DISCUSSION:

Over the past year, staff have been negotiating with Gentefy Holding LLC, regarding the development of a "food hall" concept that will incorporate 4 restaurant food and drinks users with an outdoor space that can be used and programmed for community events. The Project to be developed on the site shall consist of an indoor and outdoor "food hall" featuring an indoor bar, an indoor artisan coffee vendor, two indoor limited-service restaurants, an outdoor restaurant and an outdoor retail vendor, with the full project hosting seating for 100 -150 patrons.

This project will also create visibility inside so that people from the street can see all the action that's going on inside the building. The project will also have the most amount of seating and walking around space inside and the courtyard. The "incubator" space will have 2 concepts in it. So, it'll be 4 food concepts inside, 1 food concept outside, and 1 retail concept outside as well.

The developer will purchase the building and open grass area under the terms and conditions of the DDA. Also, the developer will lease the Telsa parking lot, which is owned by the city.

FISCAL IMPACT:

Gentefy Holding LLC, will pay the city a sum of \$602,000 plus interest as indicated by the DDA. However, there will be no payments to the city for the first year.

STRATEGIC PLAN 2023-25:

Target 1 – Energizing Economic Potential

Goal 4 – Sell Surplus Land

Goal 5 - Complete Stack Yard/Brewery Project

ATTACHMENT(S):

1. Disposition and Development Agreement (DDA)

DISPOSITION AND DEVELOPMENT AGREEMENT

by and between

CITY OF BELL, a California Charter City

AND

GENTEFY HOLDINGS LLC, a California Limited Liability Company

4410 Gage Food Hall Project

DISPOSITION AND DEVELOPMENT AGREEMENT

THIS DISPOSITION AND DEVELOPMENT AGREEMENT is entered into as of the date executed by City, by and between CITY OF BELL, a California charter city ("**City**"), and GENTEFY HOLDINGS LLC, a California limited liability company ("**Developer**"). The City and Developer are each individually referred to as a "**party**" and collectively as the "**parties**." City and Developer agree as follows:

RECITALS

A. City is the fee owner of that certain parcel of real property located at 4410 Gage Avenue, City of Bell, County of Los Angeles, California (APN 6325-018-023) located on the southwest corner of Gage Avenue and Pine Avenue, and more particularly described in the legal description set forth on Attachment 1, attached hereto and incorporated herein, including all improvements located thereon, if any, and all rights, privileges, easements and appurtenances thereto, if any ("**Real Property**").

B. Before City's acquisition of the Site in March 2024, the Real Property had been owned in fee by Gage Pine LLC, a Delaware limited liability company ("**Prior Developer**") for Prior Developer's development of the Real Property in conjunction with other adjacent properties, all pursuant to that certain Disposition and Development Agreement entered into on February 14, 2018 by and between the Bell Community Housing Authority and Prior Developer ("**Prior DDA**"). As the result of economic infeasibilities surrounding the complete development of all properties encompassed by the Prior DDA, development of the Real Property pursuant to the Former DDA did not proceed and the City acquired the Real Property from Prior Developer. The Prior DDA and other agreements and debt instruments contained a number of obligations of the Prior Developer, many of which were not fulfilled due to the aforementioned economic infeasibilities. Pursuant to the City's acquisition of the Site in March 2024, such obligations and debt instruments under the Prior DDA were waived and released.

C. It is now understood that City will convey a portion of the Property legally described on Attachment 2 ("**Site**") to Developer for a different development, and Developer agrees its Site development pursuant hereto will not unreasonably interfere with or obstruct any other development on surrounding properties that were completed pursuant to the Former DDA or otherwise. To facilitate Developer's acquisition and development of the Site, City will carryback a promissory note as payment of the purchase price bearing interest at the long term Applicable Federal Rate (AFR) of Five Percent (5.00%), amortized over thirty (30) years but due and payable in fifteen (15) years. The remaining portion of the Real Property is legally described on Attachment 3 ("**City Parcel**") and shall be retained by City. Pursuant to a separate easement agreement, City shall concurrently with the sale of the Site will grant an easement appurtenant to the Site over and across a portion of the City Parcel for purposes of vehicular parking with the City retaining (i) all rights for public access to electric vehicle charging stations and (ii) rights to access City-owned solid waste and recyclable containers located on the City Parcel for the collection and processing of solid waste generated at the Site.

I. (§ 101) PURPOSE OF THE AGREEMENT; PROJECT.

A. (§ 101) Purpose of the Agreement; Project.

This Agreement is intended to effectuate the sale for the designated use of the Site for development of the "**Project**" thereon (as those terms are defined herein). The development of the Site pursuant to this Agreement is in the best interests of the City and its residents. The Project to be developed on the Site shall consist of an indoor and outdoor "food hall" featuring an indoor bar, an indoor artisan coffee vendor, two indoor limited service restaurants, an outdoor restaurant and an outdoor retail vendor, with the full Project hosting seating for 100 -150 patrons. The Project is more

fully described in those Project conceptual site plans, site map and descriptions at Attachment 4 ("**Scope of Development**") hereto. Approval of the Project is not guaranteed by City but is subject to compliance with the approval process as required by law including, but not limited to, planning commission approvals.

B. (§ 102) Existing Condition of the Site.

As of the Effective Date, the Site has an unoccupied single-story building consisting of approximately three thousand seven hundred sixty-eight (3,768) square feet, which was previously used for retail businesses.

C. (§ 103) No Financial Assistance.

Developer acknowledges that City will not be providing financial assistance to Developer in connection with Developer's Project. Developer shall be solely responsible for all rehabilitation and development costs for the Project. The Project is more particularly described in the Scope of Development.

II. (§ 200) DEFINITIONS.

The following terms as used in this Agreement shall have the meanings given unless expressly provided to the contrary:

A. (§ 201) Affiliate.

The term "**Affiliate**" shall mean any person or entity directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with Developer, which shall include, without limitation, each of the constituent partners of Developer's limited liability company. For this provision, "**control**" means (on a cumulative basis) (i) with respect to a corporation, the right to exercise, directly or indirectly, at least fifty percent (50%) of the voting rights attributable to the shares of the controlled corporation, and (ii) with respect to a person that is not a corporation, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the controlled person.

B. (§ 202) Agreement.

The term "**Agreement**" shall mean this entire Disposition and Development Agreement, including all exhibits, which attachments are a part hereof and incorporated herein in their entirety, and all other documents incorporated herein by reference. The Attachments included with this Agreement include the following:

Attachment 1	Real Property Legal Description
Attachment 2	Site Legal Description
Attachment 3	City Parcel Legal Description
Attachment 4	Scope of Development
Attachment 5	Schedule of Performance
Attachment 6	Grant Deed
Attachment 7	Covenant Agreement
Attachment 8	Note
Attachment 9	City Deed of Trust
Attachment 10	Intentionally Omitted
Attachment 11	Certificate of Completion
Attachment 12	SLA Covenant Agreement

C. (§ 203) Certificate of Completion.

The term "**Certificate of Completion**" shall mean the document prepared in accordance with Section 513 of this Agreement, in substantially the form attached as Attachment 11, which shall confirm that the construction and development of the Project improvements required by this Agreement have been satisfactorily completed and which shall be recorded.

D. (§ 204) City.

The term "**City**" shall mean the City of Bell, California, a California charter municipality.

E. (§ 205) City Deed of Trust.

The term "**City Deed of Trust**" shall mean that certain Purchase Mone Deed of Trust with Assignment of Rents with Attached Rider in the form attached hereto as Attachment 9 securing the Note recorded against the Site at Closing.

F. (§ 206) City Parcel.

The term "**City Parcel**" shall mean the portion of the Real Property as depicted on Attachment 3 ownership of which will be retained by City but subject to the City Parcel Easement to be recorded at Closing as an appurtenant easement to the Site.

G. (§ 207) City Parcel Easement.

The term "**City Parcel Easement**" shall mean an easement in a form as mutually agreed to by the parties which shall be recorded concurrently at Closing which easement shall be appurtenant to the Site granting access on, over and across the City Parcel for purposes of vehicular parking with the City retaining (i) all rights for public access to electric vehicle charging stations and (ii) rights to access City-owned solid waste and recyclable containers located on the City Parcel for the collection and processing of solid waste generated at the Site.

H. (§ 208) Claims and Litigation.

The term "**Claims or Litigation**" shall mean any challenge by adjacent owners or any other third parties (i) to the legality, validity or adequacy of the General Plan, development approvals, this Agreement, or other actions of City pertaining to the Project, (ii) seeking damages against City as a consequence of the foregoing actions or for the taking or diminution in value of their property, or in any other manner, or (iii) for any tort claim or action against the City arising in connection with Developer's construction of the Project.

I. (§ 209) Closing; Closing Date.

The term "**Closing**" or "**Closing Date**" shall mean the closing of Escrow by the Escrow Agent recording the documents and distributing the funds as provided herein, which Closing shall occur on or before the date established in the Schedule of Performance.

J. (§ 210) Construction Loan.

The term "**Construction Loan**" shall mean a construction loan necessary to construction all the improvements required for the Project as specified in Section 515.

K. (§ 211) Covenant Agreement.

The term "**Covenant Agreement**" shall mean the Covenant Agreement in form of Attachment 7 attached hereto to be recorded at the Closing.

L. (§ 212) Days.

The term "**Days**" shall mean calendar days and the statement of any time period herein shall be calendar days, and not working days, unless otherwise specified.

M. (§ 213) Deposit

The term "**Deposit**" shall mean the total sum of Twenty Thousand Dollars (\$20,000) delivered by Developer to City as set forth in the Schedule of Performance and to be held and distributed in accordance with Section 404.

N. (§ 214) Due Diligence Documents.

The term "**Due Diligence Documents**" shall have the meaning set forth in Section 401.

O. (§ 215) Effective Date.

The term "**Effective Date**" shall mean the date this Agreement having been executed by Developer is approved by the City Council at a public hearing and thereafter executed by City.

P. (§ 216) Enforced Delay.

The term "**Enforced Delay**" shall mean any delay described in Section 803 caused without fault and beyond the reasonable control of a party, which delay shall justify an extension of time to perform as provided in Section 803.

Q. (§ 217) Entitlements.

The term "**Entitlements**" shall mean shall mean any and all final, non-appealable approvals, authorizations and entitlements relating to land use from governmental authorities with jurisdiction that Developer deems necessary or appropriate in order to develop and improve the Site with the Project.

R. (§ 218) Escrow.

The term "**Escrow**" shall mean the escrow established with Fidelity National Title Insurance Company for the conveyance of title of the Site from City to Developer by the Grant Deed pursuant to the terms specified in this Agreement.

S. (§ 219) Escrow Agent.

The term "**Escrow Agent**" shall mean Jessica Avila, J.D., AVP, Commercial Escrow Officer (Janis Okerland, Sales Representative) at Fidelity National Title Insurance Company, 555 S. Flower St., Suite 4420 Los Angeles, CA 90017 (213) 452-7132 (Direct) Jessica.Avila@fnf.com

T. (§ 220) Feasibility Period.

The term "**Feasibility Period**" shall mean the period as defined in Section 401 (as may be extended as specified therein) in which Developer shall determine suitability of the physical condition of the Site is suitable for Developer's intended Project uses in accordance with this Agreement.

U. (§ 221) Grant Deed.

The term "**Grant Deed**" shall mean that Grant Deed in the form attached hereto as Attachment 6 by which City as grantor will convey fee title of the Site to Developer as grantee (which Developer shall have executed the Certificate of Acceptance to be attached to the Deed prior to recordation).

V. (§ 222) Note.

The term "**Note**" shall mean that certain Purchase Money Promissory Note Secured by Deed of Trust in the amount of Six-Hundred Two Thousand (\$602,000) in the form attached hereto as Attachment 8 executed by Developer to be secured by the Trust Deed.

W. (§ 223) Operational Leases.

The term "**Operational Leases**" shall mean any leases by Developer for the Site directly with tenants which will operate their businesses on the Site as set forth in Section 303.3.

X. (§ 224) Parcel Map.

The term "**Parcel Map**" shall mean the parcel map created by City to create the Site and City Parcel to be recorded prior to the Closing.

Y. (§ 225) Project.

The term "**Project**" shall mean the improvements required to be constructed by Developer on the Site as described in the Scope of Development attached hereto as Attachment 4.

Z. (§ 225) Purchase Price.

The term "**Purchase Price**" means the sum of Six-Hundred Thousand Dollars (\$602,000), which amounts equals the fair market value of the Site, as such fair market value was determined by that certain appraisal dated September 29, 2023.

AA. (§ 226) Real Property.

The term "**Real Property**" means that certain real property owned by City as of the Effective Date commonly known as 4410 Gage Avenue, City of Bell, County of Los Angeles, California (APN 6325-018-023).

BB. (§ 227) Schedule of Performance.

The term "**Schedule of Performance**" shall mean that certain Schedule of Performance set forth in Attachment 5.

CC. (§ 228) Scope of Development.

The term "**Scope of Development**" shall mean Scope of Development set forth in Attachment 4

DD. (§ 229) Site.

The term "**Site**" shall mean that portion of the Real Property as depicted on Attachment 2 attached hereto.

EE. (§ 230) SLA Covenant Agreement.

The term "**SLA Covenant Agreement**" means the Covenant Agreement in the form of Attachment 12 as required by California Department of Housing and Community Development ("**HCD**") pursuant to the Surplus Land Act to be recorded at the Closing.

FF. (§ 231) Subordination Agreement.

The term "**Subordination Agreement**" shall mean the subordination agreement as required

to subordination the City Deed of Trust to the Construction Loan pursuant to Section 516.

GG. (§ 232) Title.

The term "**Title**" shall mean the fee title to the Site which shall be conveyed to Developer pursuant to the Grant Deed.

HH. (§ 234) Title Company.

The term "**Title Company**" shall mean Fidelity National Title Insurance Company.

II. (§ 235) Transfer.

The term "**Transfer**" shall have the meaning set forth in Section 303.

III. (§ 300) PARTIES TO THE AGREEMENT.

A. (§ 301) City.

City is a California charter city exercising governmental functions and powers, organized and existing under the City of Bell Charter and State of California Constitution.

B. (§ 302) Developer.

1. Identification and Developer's Representations.

Developer is GENTEFY HOLDINGS LLC, a California limited liability company ("**Gentefy LLC**"), the managing member of which is Gentefy, Inc., a California corporation ("**Gentefy Corporation**") of which Barney Santos and Evelyn Santos are the officers and sole shareholders. The principal office of Developer for the purposes of this Agreement is located at 622 W. Hart Place, Montebello, California 90640. Except as may be expressly provided herein below, all of the terms, covenants and conditions of this Agreement shall be binding on, and shall inure to the benefit of, Developer and the permitted successors, assigns and nominees of Developer. Wherever the term "**Developer**" is used herein, such term shall include any permitted successors and assigns of Developer as provided in this Agreement.

2. Qualifications.

The qualifications and identity of Developer are of particular concern to City and it is because of such qualifications and identity that has entered into this Agreement with Developer. City has undertaken an appropriate marketing program to identify appropriate users for the Site. City has considered the experience, financial capability, and product being marketed by Developer and its affiliates, the Site location and characteristics, and the product mix necessary to produce a successful business area. Based upon these considerations, City has imposed the restrictions on transfer set forth in this Agreement.

C. (§ 303) Restrictions on Transfer.

1. Transfer Defined.

The term "**Transfer**" shall mean and include any assignment, hypothecation, mortgage, pledge, conveyance, encumbrance or leasing of this Agreement, the Site, or the improvements thereon. A Transfer shall also include the Transfer to any person or group of persons acting in concert of more than twenty-five percent (25%) of the ownership and/or control of Developer (including either the Gentefy LLC and Gentefy Corporation) as of the Effective Date in the aggregate taking all Transfers into account on a cumulative basis, except transfers of such ownership or control interest between members of the same immediate family or transfers to a trust (testamentary or otherwise)

in which the beneficiaries are limited to members of the transferor's immediate family. In the event Developer or its successor is a corporation or trust, such Transfer shall refer to the Transfer of the issued and outstanding capital stock of Developer; in the event that Developer is a limited or general partnership, such Transfer shall refer to the Transfer of more than twenty-five percent (25%) of the limited or general partnership interest; in the event that Developer is a limited liability company, such Transfer shall refer to the Transfer of more than twenty-five percent (25%) of the limited liability company; and in the event that Developer is a joint venture, such Transfer shall refer to the Transfer of more than twenty-five percent (25%) of the ownership and/or control of any such joint venture partner, taking all Transfers into account on a cumulative basis.

2. Restrictions Prior to Completion.

Prior to issuance of the Certificate of Completion, Developer shall not Transfer this Agreement or any of Developer's rights hereunder, or any interest in the Site or in the improvements thereon, directly or indirectly (including leasing), voluntarily or by operation of law, except as provided below, without the prior written approval of City, and if so purported to be transferred, the same shall be null and void. In considering whether it will grant approval to any assignment by Developer of its interest in the Site before the issuance of the Certificate of Completion, which assignment requires City approval, City shall consider factors such as (i) whether the completion of the Project is jeopardized; (ii) the financial strength and capability of the proposed assignee to perform Developer's obligations hereunder; (iii) the proposed assignee's experience and expertise in the planning, financing, development, ownership, and operation of similar projects) how the proposed assignee will complement the other users on the Site and in the area.

In the absence of specific written agreement by City, prior to the issuance of a Certificate of Completion, no assignment or transfer by Developer of all or any portion of its interest in the Site or this Agreement (including without limitation an assignment or transfer not requiring City approval hereunder) shall be deemed to relieve it or any successor party from any obligations under this Agreement with respect to the completion of the development of the Project. In addition, no attempted assignment of any of Developer's obligations shall be effective unless and until the successor party executes and delivers to City an assumption agreement in a form reasonably approved by City assuming such obligations.

3. Exceptions.

The foregoing prohibition shall not apply to any of the following:

- (a) Any mortgage, deed of trust or other form of lien for financing the construction of the Project, as provided in Section 515, but Developer shall notify City in advance of any such mortgage, deed of trust or other form of conveyance for financing pertaining to the Site.
- (b) Any mortgage, deed of trust, or other form of conveyance for restructuring or refinancing of any amount of indebtedness described in subsection (a) above, provided that the amount of indebtedness incurred in the restructuring or refinancing does not exceed the outstanding balance on the debt incurred to finance the acquisition of, improvements on the Site and reasonable lender finance costs traditionally associated with refinancing, including any additional

costs of construction, whether direct or indirect, based upon the estimates of architects and/or contractors.

- (c) The conveyance or dedication of any portion of the Site to City or other appropriate governmental agencies, or the granting of easements or permits to facilitate the development of the Site.
- (d) A sale or transfer resulting from or in connection with a reorganization as contemplated by the provisions of the Internal Revenue Code of 1986, as amended or otherwise, in which the ownership interests of a corporation are assigned directly or by operation of law to a person or persons, firm or corporation which acquires the control of the voting capital stock of such corporation or all or substantially all of the assets of such corporation.
- (e) A sale or transfer of twenty-five percent (25%) or more of ownership or control interest between members of the same immediate family, or transfers to a trust, testamentary or otherwise, in which the beneficiaries consist solely of immediate family members of the trustor or transfers to a corporation or partnership in which the immediate family members or shareholders of the transferor have a controlling majority interest of fifty- one percent (51%) or more.
- (f) A sale or transfer to an entity in which Developer directly or indirectly owns or controls fifty percent (50%) or more of the voting and/or membership interests.
- (g) Operational Leases ("**Operational Leases**") means the leasing of a portion of the interior of the Project to a tenant which will operate its business on the Site in accordance with the use restrictions in this Agreement. All Operational Leases must specifically provide that they are subordinate to this Agreement, Covenant Agreement and the City Deed of Trust.

4. Restrictions after Completion.

Developer and City acknowledge that the Site is being conveyed to Developer by City in reliance on Developer's expertise and integrity. Developer may not sell, transfer, convey, hypothecate, assign, or lease all or any portion of its interest in the Site without complying with the Transfer restrictions contained in this Agreement, the Grant Deed and the Covenant Agreement although the foregoing restriction shall not apply to Operational Leases.

After the issuance of the Certificate of Completion, but while the Note is outstanding, Developer shall not sell, transfer, convey, hypothecate, assign or lease all or any portion of its interest in the Site without prior written notice to the City, although the foregoing restriction shall not apply to Operational Leases.

The transfer restrictions in this Section 300 shall terminate upon the later to occur of (i) issuance of the Certificate of Completion; or (ii) the Note has been paid in full.

IV. (§ 400) ACQUISITION AND DISPOSITION OF THE SITE.

A. (§ 401) Feasibility Period.

i. Feasibility Period and Disapproval Notice. As soon as practicable, but no later than thirty (30) days, after the Effective Date, City shall deliver to Developer any and all documents related to the Site which it has in its possession and control including any contracts, leases, and reports ("**Due Diligence Documents**"). Due Diligence Documents shall include (i) any documents only within the possession and control of municipal governmental agencies other than the City which

are not a party to this Agreement; or (ii) the title information, which shall be governed pursuant to Section 407. Developer is aware that the City does not have any as-built utility plans but will make reasonable efforts to obtain the same for the utility companies for existing utilities and deliver same to Developer. However, such documents are not part of the Due Diligence Documents as they are not within City's possession or control.

Developer shall have a period of one hundred twenty (120) days from the date that City provides to Developer copies of all Due Diligence Documents ("**Feasibility Period**"). During the Feasibility Period, Developer shall have the right to inspect the physical condition of the Site for the Project and, at its sole cost and expense, cost to conduct such engineering, feasibility studies, soils tests, environmental studies and other investigations as Developer, in its sole discretion, may desire, to permit Developer to determine the suitability of the Site for the uses permitted by this Agreement to conduct such other review and investigation which Developer deems appropriate to satisfy itself to acquire the Site and develop the Project. Developer shall further have the right to make an examination of all licenses, permits, authorizations, approvals and governmental regulations which affect the Site, including zoning and land use issues and conditions imposed upon the Site by governmental agencies. During the Feasibility Period, Developer shall have access to the Site provided it complies with the provisions below.

Notwithstanding the foregoing, in the event that Developer requires additional time to conduct such feasibility studies or investigations due to delays caused by engineering, consulting, or other similar third-party trades, Developer shall issue a formal written request to the City for an extension of the Feasibility Period, which may be granted at the sole discretion of the City, for a period not to exceed sixty (60) days. The City shall review such a request in good faith and shall not unreasonably withhold, condition, or delay approval of the extension.

Developer shall notify City on or before the end of the Feasibility Period, in writing, whether Developer has approved or disapproved the results of its investigation, such approval or disapproval to be given or withheld in Developer's reasonable discretion ("**Disapproval Notice**") which must be provided to City prior to the expiration of the Feasibility Period. If Developer fails to provide a Disapproval Notice in the time and manners specified, Developer will be deemed to have approved the condition of the Site. If Developer provides the Disapproval Notice in the time and manner specified, this Agreement and the Escrow shall conclusively be deemed terminated and the portion of the Deposit specified in Section 404 shall be returned to Developer, and the parties shall have no further obligations to the other under this Agreement. If Developer approves the results of its investigations, this Agreement shall remain in full force and effect, the Deposit shall become non-refundable (except in the case of a material Default by City), and the parties hereto shall have all of the rights and obligations as set forth herein. Failure of Developer to notify City of its approval or disapproval before the end of the Feasibility Period shall be conclusively deemed an approval hereunder.

ii. Right of Access; Indemnity. During the Feasibility Period and subject to compliance with the following requirements, City grants Developer, its agents and employees a limited license to enter upon the Site for the purpose of conducting engineering surveys, soil tests, investigations or other studies reasonably necessary to evaluate the condition of the Site which studies, surveys, reports, investigations and tests shall be done at Developer's sole cost and expense. Prior to entering the Site, Developer shall obtain City's written consent which shall not be unreasonably withheld, conditioned or delayed provided Developer complies with all the following requirements. Developer shall: (i) notify City prior to each entry of the date and the purpose of intended entry and provide to City the names and affiliations of the persons entering the Site; (ii) conduct all studies in a diligent, expeditious and safe manner and not allow any dangerous or hazardous conditions to occur on the Site or Site during or after such investigation; (iii) comply with all applicable laws and governmental regulations (including issuance of Permits); (iv) allow an

employee of City to be present at all times; (v) keep the Site free and clear of all materialmen's liens, lis pendens and other liens or encumbrances arising out of the entry and work performed under this paragraph; (vi) maintain or assure maintenance of workers' compensation insurance (or state approved self-insurance) on all persons entering the Site in the amounts required by the State of California; (vii) provide to City prior to initial entry a certificate of insurance evidencing that Developer has procured and paid premiums for an all-risk public liability insurance policy written on a per occurrence and not claims made basis in a combined single limit of not less than TWO MILLION DOLLARS (\$2,000,000) which insurance names City as additional insured; (viii) repair all material damage to the Site resulting from Developer's entry and investigation and leave the Site in a safe condition; (ix) provide City copies of all studies, surveys, reports, investigations and other tests derived from any inspection without representation or warranty but with the right of City to use the report without further consent from or payment to the issuer; and (x) take the Site at Closing subject to any title exceptions caused by Developer exercising this license to enter.

Developer agrees to indemnify, defend and hold City free and harmless from and against any and all losses, damages (whether general, punitive or otherwise), liabilities, claims, causes of action (whether legal, equitable or administrative), judgments, court costs and legal or other expenses (including reasonable attorneys' fees) which City may suffer or incur as a consequence of Developer's exercise of the license granted pursuant to this Section or any act or omission by Developer, any contractor, subcontractor or material supplier, engineer, architect or other person or entity acting by or under Developer (except City and its agents) with respect to the Site, excepting any and all losses, damages (whether general, punitive or otherwise), liabilities, claims, causes of action (whether legal, equitable or administrative), judgments, court costs and legal or other expenses (including reasonable attorneys' fees) arising from the mere discovery by Developer of any Hazardous Materials or conditions and excepting to the extent such claims arise out of the negligence or misconduct of City.

Notwithstanding termination of this Agreement for any reason, the obligations of Developer under this Section shall survive.

B. (§ 402) Conveyance; Purchase Price; Covenant Agreement.

1. Conveyance. In accordance with and subject to all the terms, covenants and conditions of this Agreement, City agrees to convey the Site (with the appurtenant City Parcel Easement) to Developer for the Purchase Price of Six Hundred Two Thousand Dollars (\$602,000) ("**Purchase Price**"), and Developer specifically agrees to accept the Site in AS-IS condition and subject to the covenants to develop the Site consistent with the Scope of Development and the permissible uses as further described in Section 601, the operating covenants as set forth in Grant Deed and Covenant Agreement.

2. Purchase Price. At Closing, Developer shall pay the Purchase Price to City by delivering the Note to City. The Covenant Agreement are material consideration for the sale of the Site to Developer.

3. Covenant Agreement. The Covenant Agreement shall be recorded against the Site after the Grant Deed and contains continuing obligations of Developer with respect to limitations on the (i) use of the Site, (ii) continuing operating covenant; (iii) maintenance obligations of the Site, and (iv) special obligations with respect to job creation with special credits as a result thereof.

4. SLA Covenant Agreement. The SLA Covenant shall be recorded against the Site after the Grant Deed but before the Covenant Agreement.

C. (§ 403) Escrow.

Escrow shall be opened in the time specified in the Schedule of Performance. This Agreement shall constitute the joint escrow instructions of City and Developer to Escrow Agent, and

a duplicate original of this Agreement shall be delivered to Escrow Agent upon the opening of Escrow. Escrow Agent is empowered to act under the instructions in this Agreement. City and Developer shall promptly prepare, execute, and deliver to Escrow Agent such additional escrow instructions (including Escrow's standard general provisions) consistent with the terms herein as shall be reasonably required by Escrow Agent. No provision of any additional escrow instructions shall be deemed to modify this Agreement without specific written approval of the modification(s) by both Developer and City.

D. (§ 404) Deposit.

At the time set forth in the Schedule of Performance, Developer shall deposit the sum of Twenty Thousand Dollars (\$20,000) directly with City which sum shall be held by City and not deposited into Escrow. Upon Close of Escrow, the Deposit shall not be credited against the Purchase Price.

The Deposit shall be consideration for City's costs incurred under this Agreement as well as security for Developer's good faith and diligent performance of the obligations and duties of Developer in accordance with the terms of this Agreement and shall be retained by City except as specified below.

If Developer elects to terminate this Agreement by delivering a Disapproval Notice prior to the end of the Feasibility Period pursuant to Section 401.1, the sum of Ten Thousand Dollars (\$10,000) shall be promptly returned to Developer and the sum of Ten Thousand Dollars (\$10,000) shall be retained by City as compensation for its costs incurred in the preparation and negotiation of this Agreement.

E. (§ 405) Conditions to Close of Escrow.

1. Developer's Conditions to Closing.

Developer's obligation to acquire the Site and to Close Escrow, shall, in addition to any other conditions set forth herein in favor of Developer, be conditioned and contingent upon the satisfaction or written waiver by Developer, of each and all of the following conditions (collectively the "**Developer's Conditions to Closing**") within the time provided in the Schedule of Performance:

- (a) Developer shall have approved the condition of the Site pursuant to Section 401.
- (b) Developer shall have received all required Entitlements for the Project, and shall have received, or be in a position to pull upon payment of the normal City fees (in the case of its building permit, all required Permits for the Project).
- (c) The Construction Loan has been obtained in accordance with Section 515.
- (d) Title Company is committed to issue the Developer's Title Policy insuring title to the Site (with the appurtenant City Parcel Easement) is vested in Developer subject to conditions and exceptions specified in Section 407.5(a).
- (e) Title Company is committed to issue the City's Title Policy insuring the priority of the City Deed of Trust subject to the conditions and exceptions specified in Section 407.5(b).
- (f) The Site will be delivered at Closing free and clear of any tenants or rights of possession of any other persons or entities except Operational Leases executed by Developer.
- (g) The Parcel Map has been or will be recorded at Closing.

- (h) City shall have deposited or caused to be deposited into Escrow all the documents required under Section 406.3.
- (i) City is not in breach or default of this Agreement.

Any waiver of the foregoing conditions must be express and in writing by Developer pursuant to this Agreement.

2. City's Conditions to Closing.

City's obligation to deliver the Site and to Close Escrow, shall, in addition to any other conditions set forth herein in favor of City, be conditioned and contingent upon the satisfaction or written waiver by City, of each and all of the following conditions (collectively the "**City's Conditions to Closing**") within the time provided in the Schedule of Performance:

- (a) Any required approvals pursuant to CEQA have been approved as final.
- (b) Developer shall have received all required Entitlements for the Project and shall have received or be in a position to pull upon payment of the normal City fees (in the case of its building permit, all required Permits for the Project).
- (c) The Construction Loan has been obtained in accordance with Section 515 and will record at the Closing.
- (d) Title Company is committed to issue the Developer's Title Policy insuring title to the Site is vested in Developer subject to conditions and exceptions specified in Section 407.5(a).
- (e) Title Company is committed to issue the City's Title Policy insuring the priority of the City Deed of Trust subject to the conditions and exceptions specified in Section 407.5(b).
- (f) The Parcel Map has been or will be recorded at Closing.
- (g) Developer shall have deposited or caused to be deposited into Escrow all the documents required under Section 406.4.
- (h) Developer is not in breach or default of this Agreement.

Any waiver of the foregoing conditions must be express and in writing by City in accordance with this Agreement.

3. Both Parties' Conditions to Closing.

Prior to the Closing Date, Developer and City shall execute and deliver a certificate ("**Taxpayer ID Certificate**") in such form as *may* be required by the IRS pursuant to Section 6045 of the Internal Revenues Code or the regulations issued pursuant thereto, certifying as to the description of the Site, date of Closing, the Purchase Price and taxpayer identification numbers as required by law. Prior to the Closing, Developer and City shall cause to be delivered to the Escrow Agent such other items, instruments and documents, and the parties shall take such further actions, as *may* be necessary or desirable in order to complete the Closing. At the Closing neither party shall be in breach of its obligations hereunder.

F. (§ 406) Conveyance of the Site.

1. Time for Conveyance.

Escrow shall Close after satisfaction (or waiver by the benefited party) of the applicable conditions to Close of Escrow, but not later than the date specified in the Schedule of Performance,

unless extended by the mutual agreement of the parties or any Enforced Delay. Possession of the Site shall be delivered to Developer concurrently with the conveyance of fee title free of all tenancies and occupants except for Operational Leases.

2. Escrow Agent to Advise of Costs.

On or before the date set in the Schedule of Performance, Escrow Agent shall advise City and Developer in writing of the fees, charges, and costs necessary to clear title and Close Escrow, and of any documents which have not been provided by said party and which must be deposited in Escrow to permit timely Closing.

3. Deposits by City Prior to Closing.

On or before, but not later than two (2) business days prior to the date set for the Closing in the Schedule of Performance, City shall deposit into Escrow:

- (a) One (1) originally executed and notarized Grant Deed;
- (b) One (1) originally executed estoppel certificate certifying that Developer has completed all acts, other than as specified, necessary to consummate this transaction;
- (c) Two (2) executed and notarized copies of the Covenant Agreement;
- (d) Two (2) originally executed and notarized copy of the SLA Covenant Agreement;
- (e) Two (2) executed and notarized copies of the City Parcel Easement;
- (f) One (1) executed and notarized copy of the Subordination Agreement;
- (g) Payment of City's share of costs as set forth in Section 409; and
- (h) Any other documents required by the Title Company and Escrow Company to consummate this transaction.

4. Deposits by Developer Prior to Closing.

On or before, but not later than two (2) business days prior to the date set for the Closing in the Schedule of Performance, Developer shall deposit into Escrow:

- (a) An estoppel certificate certifying that City has completed all acts, other than as specified, necessary to consummate this transaction;
- (b) One (1) originally executed copy of the Note;
- (c) One (1) originally executed and notarized copy of the City Deed of Trust;
- (d) One (1) originally executed Certificate of Acceptance to be attached to the Grant Deed prior to recordation;
- (e) Two (2) originally executed and notarized copy of the Covenant Agreement;
- (f) Two (2) originally executed and notarized copy of the SLA Covenant Agreement.

(g) One (1) originally executed Preliminary Change of Ownership form as required by the County of Los Angeles,

(h) The Construction Loan Documents;

(i) Payment of Developer's share of costs in accordance with Section 409; and

(j) Any other documents required by the Title Company or Escrow Company to consummate this transaction.

5. Recordation and Disbursement of Funds.

Upon the completion by City and Developer of the required deliveries and actions prior to Closing, Escrow Agent is authorized to pay any transfer taxes and recording fees under applicable law, and thereafter cause to be recorded in the appropriate official records of Los Angeles County, California, in the following specific order:

(a) Grant Deed with the Certificate of Acceptance executed by Developer attached thereto;

(b) City Parcel Easement;

(c) SLA Covenant Agreement;

(d) Covenant Agreement;

(e) Construction Loan documents;

(f) City Deed of Trust;

(g) Subordination Agreement; and

(h) Any other appropriate instruments delivered through this Escrow, if necessary or proper to vest title of the Site in Developer in accordance with the terms of this Agreement.

Immediately following Closing, Escrow Agent shall deliver the (i) the Developer's Title Policy to Developer (with a copy to City) insuring title and conforming to the requirements of Section 407; and (ii) the City's Title Policy to City insuring the City Deed of Trust and conforming to the requirements of Section 407. Following recordation, Escrow Agent shall deliver conformed copies of all recorded documents to both Developer and City. In addition, after deducting any sums specified in this Agreement, Escrow Agent shall disburse funds to the party entitled thereto.

G. (§ 407) Title Matters.

1. Surveyor. As specified in the Schedule of Performance, City shall retain, at its sole cost and expense, a licensed California surveyor to prepare an ALTA survey for the Site.

2. Condition of Title. City shall convey to Developer fee title of the Site (with the appurtenant City Parcel Easement) subject only to: (i) this Agreement, the Grant Deed, the City Deed of Trust and the Covenant Agreement; (ii) current taxes, a lien not yet payable; (iii) quasi-public utility, public alley and public street easements of record approved by Developer, which approval shall not be unreasonably withheld; (iv) covenants, conditions and restrictions, reciprocal easements, and other encumbrances and title exceptions approved by Developer; and (v) any matters caused or created by Developer (including any Operational Leases). City shall convey title to Developer pursuant to the Grant Deed.

3. City Not to Encumber Site. City warrants to Developer that it has not and will not, from the Effective Date of this Agreement through Close of Escrow, transfer, sell, hypothecate, pledge, or otherwise encumber the Site without express written permission of Developer.

4. Approval of Title Exceptions. On or before the date in the Schedule of Performance, City shall deliver a proforma preliminary title report for the Site (with the appurtenant City Parcel Easement), to Developer including copies of all documents referenced therein ("**Title Report**"). Prior to the date in the Schedule of Performance ("**Title Approval Date**"), Developer shall deliver to City written notice, with a copy to Escrow Agent, specifying in detail any exception disapproved and the reason therefor. Prior to the date in the Schedule of Performance, City shall deliver written notice to Developer as to whether City will or will not cure the disapproved exceptions. If City elects not to cure the disapproved exceptions, Developer may terminate this Agreement without any liability of City to Developer, or Developer may withdraw its earlier disapproval. If City elects to cure the disapproved exceptions, City shall do so on or before the Close of Escrow. If, after the Title Approval Date, Developer receives a supplement to the Title Report from the Title Company setting forth any new matter of record encumbering the Site which was not set forth on the original Title Report (or any previous supplement thereto) and of which Developer was not otherwise aware as of the Title Approval Date ("**New Title Matter**"), Developer may, on or prior to 5:00 p.m. P.S.T. on the third (3rd) business day following Developer's receipt of notice of such New Title Matter ("**New Matter Approval Date**"), object to such New Title Matter by sending written notice thereof to City and Escrow Holder; provided, however, City shall remove any monetary liens which constitute New Title Matters regardless of whether Developer timely objects to such monetary liens. Developer's failure to object in writing to any New Title Matter on or prior to the New Matter Approval Date shall be automatically deemed to be Developer's approval of such New Title Matter and such New Title Matter shall thereafter be deemed to be a permitted encumbrance. If Developer delivers written objection to any New Title Matter on or prior to the New Matter Approval Date applicable thereto, and City does not deliver as of 5:00 p.m. P.S.T. on the fifth (5th) business day following the New Matter Approval Date ("**City Response Date**") written notice that City covenants and agrees to remove prior to the Closing such New Title Matter objected to by Developer, then Developer may terminate this Agreement by delivery of written notice thereof to City and Escrow Holder on or before 5:00 p.m. P.S.T. on the second (2nd) business day following the City Response Date ("**New Matter Termination Date**"). Developer's failure to terminate this Agreement in writing as a result of any New Title Matter on or prior to the New Matter Termination Date shall constitute Developer's waiver of its right to terminate this Agreement as a result of such New Title Matter.

5. Title Policies.

- (a) **Developer's Title Policy.** At the Closing, Title Company shall issue to Developer an ALTA extended owner's policy of title insurance ("**Developer's Title Policy**") with title to the Site (with the appurtenant City Parcel Easement) vested in Developer with an insured amount equal to the Purchase Price, containing (i) only those exceptions approved by Developer pursuant to the foregoing section; (ii) the covenants in the Grant Deed; (iii) SLA Covenant Agreement; (iv) Covenant Agreement; (v) the Construction Deed of Trust; (vi) the City Deed of Trust; and (vii) any exceptions caused or created by Developer (including any Operational Leases). The Developer's Title Policy shall include any available additional title insurance, extended coverage or endorsements that Developer may reasonably request. City shall pay only for that portion of the title insurance premium attributable to the ALTA non-extended coverage policy in the amount of the Purchase Price. Developer shall pay for (i) extended ALTA coverage; (ii) the premium for any special endorsements to the Developer's Title Policy; and (ii) the City's Title Policy (as defined below).

- (b) **City's Title Policy.** At the Closing, the Title Company shall issue to City an ALTA loan policy of title insurance for the Site in the amount of the Note ("**City's Title Policy**") with title to the Site vested in Developer and insuring the Trust Deed in second lien position on the Site junior only to the Construction Deed of Trust and such exceptions as approved by City in writing together with any endorsements as reasonably required by City. (Any Operational Leases must be shown as subordinate on Schedule B Part II.)

H. (§ 408) Condition of Site: AS-IS Acquisition.

1. AS-IS Acquisition.

DEVELOPER ACKNOWLEDGES AND AGREES THAT CITY IS CONVEYING THE SITE TO DEVELOPER IN "AS-IS" CONDITION WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND AND SHALL NOT BE RESPONSIBLE FOR ANY HAZARDOUS MATERIALS OR CONDITIONS ON THE SITE.

2. Site Assessment and Remediation.

Developer shall be responsible for conducting assessments of the Site and for any required remediation if the Developer accepts the Site pursuant to the terms of this Agreement. City shall be entitled to review any remedial workplan prepared for the Site. City is conveying the property in an "AS-IS" condition and shall not be responsible for any Hazardous Materials or hazardous conditions on the Site. City is acquiring the Site solely to accommodate the Project and, therefore, Developer acknowledges that the provisions of this Section 408 is material to City's entering into this Agreement.

3. Disclaimer of Warranties.

Upon the Close of Escrow, Developer shall acquire the Site in its "AS-IS" condition and shall be responsible for any defects in the Site, whether patent or latent, including, without limitation, the physical, environmental and geotechnical condition of the Site, and the existence of any contamination, Hazardous Materials, vaults, debris, pipelines, abandoned wells or other structures located on, under or about the Site. City makes no representation or warranty concerning the physical, environmental, geotechnical or other condition of the Site, the suitability of the Site for the Project, or the present use of the Site, and specifically disclaims all representations or warranties of any nature concerning the Site made by them, the City and their employees, agents and representatives. The foregoing disclaimer includes, without limitation, topography, climate air, water rights, utilities, present and future zoning, soil, subsoil, existence of Hazardous Materials or similar substances, the purpose for which the Site is suited, or drainage. City makes no representation or warranty concerning the compaction of soil upon the Site, nor of the suitability of the soil for construction.

4. Hazardous Materials; Release of City.

Developer understands and agrees that in the event Developer incurs any loss or liability concerning Hazardous Materials (as hereinafter defined) and/or oil wells and/or underground storage tanks and/or pipelines whether attributable to events occurring prior to or following the Closing, then Developer may look to any prior owners of the Site, but under no circumstances shall City be liable directly or indirectly regarding Hazardous Materials and/or oil wells and/or underground storage tanks and/or pipelines. (In the event that City has indemnified any prior Site owner, Developer may not recover any such amounts from that prior owner to the extent that such owner will seek recovery from City; City shall provide reasonable notice of any such indemnity agreements with prior Site owners.) Developer, and each of the entities constituting Developer, if any, from and after the Closing, hereby waives, releases, remises, acquits and forever discharges City, City, their directors,

officers, share-holders, employees, and agents, and their respective heirs, successors, personal representatives and assigns, of and from any and all Environmental Claims, Environmental Cleanup Liability and Environmental Compliance Costs, as those terms are defined below, and from any and all actions, suits, legal or administrative orders or proceedings, demands, actual damages, punitive damages, loss, costs, liabilities and expenses, which concern or in any way relate to the physical or environmental conditions of the Site, the existence of any Hazardous Material thereon, or the release or threatened release of Hazardous Materials therefrom, whether existing prior to, at or after the Closing. It is the intention of the parties pursuant to this release that any and all responsibilities and obligations of City, and any and all rights, claims, rights of action, causes of action, demands or legal rights of any kind of Developer, its successors, assigns or any affiliated entity of Developer, against City, arising by virtue of the physical or environmental condition of the Site, the existence of any Hazardous Materials thereon, or any release or threatened release of Hazardous Material therefrom, whether existing prior to, at or after the Closing, are by this Release provision declared null and void and of no present or future force and effect as to the parties; provided, however, that no parties shall be deemed third party beneficiaries of such release. In connection therewith, Developer and each of the entities constituting Developer, expressly agree to waive any and all rights which said party may have under Section 1542 of the California Civil Code which provides as follows:

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

DEVELOPER'S INITIALS: _____

.Developer further agrees that in the event Developer obtains, from former or present owners of the Site or any other persons or entities, releases from liability, indemnities, or other forms of hold harmless relating to the subject matter of this section, Developer shall use its diligent efforts to obtain for City and City the same releases, indemnities and other comparable provisions. Without limiting the foregoing, Developer agrees not to initiate any legal process against the City, and hereby fully releases the City, in connection with any Environmental Claims, Environmental Cleanup Liability or Environmental Compliance Costs.

For purposes of this Section 408, the following terms shall have the following meanings:

- (a) "Environmental Claim" means any claim for personal injury, death and/or property damage made, asserted or prosecuted by or on behalf of any third party, including, without limitation, any governmental entity, relating to the Site or its operations and arising or alleged to arise under any Environmental Law.
- (b) "Environmental Cleanup Liability" means any cost or expense of any nature whatsoever incurred to contain, remove, remedy, clean up, or abate any contamination or any Hazardous Materials on or under all or any part of the Site, including the ground water thereunder, including, without limitation, (A) any direct costs or expenses for investigation, study, assessment, legal representation, cost recovery by governmental agencies, or ongoing monitoring in connection therewith and (B) any cost, expense, loss or damage incurred with respect to the Site or its operation as a result of actions or measures necessary to implement or effectuate any such containment, removal, remediation, treatment, cleanup or abatement.
- (c) "Environmental Compliance Cost" means any cost or expense of any nature whatsoever necessary to enable the Site to comply with all applicable

Environmental Laws in effect. "Environmental Compliance Cost" shall include all costs necessary to demonstrate that the Site is capable of such compliance.

- (d) "Environmental Law" means any federal, state or local statute, ordinance, rule, regulation, order, consent decree, judgment or common-law doctrine, and provisions and conditions of permits, licenses and other operating authorizations relating to (A) pollution or protection of the environment, including natural resources, (B) exposure of persons, including employees, to Hazardous Materials or other products, raw materials, chemicals or other substances, (C) protection of the public health or welfare from the effects of by-products, wastes, emissions, discharges or releases of chemical sub-stances from industrial or commercial activities, or (D) regulation of the manufacture, use or introduction into commerce of chemical substances, including, without limitation, their manufacture, formulation, labeling, distribution, transportation, handling, storage and disposal.
- (e) "Hazardous Material" is defined to include any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental City, the State of California, or the United States Government. The term "Hazardous Material" includes, without limitation, any material or substance which is: (A) petroleum or oil or gas or any direct or derivate product or byproduct thereof; (B) defined as a "hazardous waste," "extremely hazardous waste" or "restricted hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (C) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act); (D) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Sections 25501U) and (k) and 25501.1 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (E) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (F) "used oil" as defined under Section 25250.1 of the California Health and Safety Code; (G) asbestos; (H) listed under Chapter 11 of Division 4.5 of Title 22 of the California Code of Regulations, or defined as hazardous or extremely hazardous pursuant to Chapter 10 of Division 4.5 of Title 22 of the California Code of Regulations; (I) defined as waste or a hazardous substance pursuant to the Porter- Cologne Act, Section 13050 of the California Water Code; (J) designated as a "toxic pollutant" pursuant to the Federal Water Pollution Control Act, 33 U.S.C. § 1317; (K) defined as a "hazardous waste" pursuant to the Federal Resource Conservation and Recovery Act, 42 U.S.C. § 6901 *et seq.* (42 U.S.C. § 6903); (L) defined as a "hazardous substance" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 *et seq.* (42 U.S.C. § 9601); (M) defined as "Hazardous Material" pursuant to the Hazardous Materials Transportation Act, 49 U.S.C. § 5101 *et seq.*; or (N) defined as such or regulated by any "Superfund" or "Superlien" law, or any other federal, state or local law, statute, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning Hazardous Materials and/or oil wells and/or underground storage tanks and/or pipelines, as now, or at any time here-after, in effect.

Notwithstanding any other provision of this Agreement, Developer's release and indemnification as set forth in the provisions of this Section, as well as all provisions of this Section shall survive the termination of this Agreement and shall continue in perpetuity.

I. (§ 409) Costs of Escrow.

1. Allocation of Costs.

Escrow Agent is directed to allocate costs as follows: City shall pay the cost of an ALTA non-extended owner's title policy while Developer shall pay premiums for any additional coverage and any endorsements. Developer shall pay the cost of the extended coverage by an ALTA extended coverage policy exceeds a standard ALTA (non-extended) owners policy, the City's Title Policy and the recording fees for the Grant Deed, the City Parcel Easement and the Construction Loan. City shall pay any documentary transfer taxes due for the transfer by the Grant Deed. Developer shall be responsible for the recording fees related to the Grant Deed, the Construction Deed of Trust, and the City Deed of Trust and any documents recorded for the benefit of Developer. City shall be responsible for the recording of the Covenant Agreement but as a governmental entity is exempt from recording fees for that document. Developer and City shall each pay one-half (1/2) of all Escrow and similar fees, except that if one party defaults under this Agreement, the defaulting party shall pay all Escrow fees and charges as well as any title cancellation fees. Subject to Section 707, each party shall pay its own attorneys' fees for entering into this Agreement.

2. Prorations and Adjustments.

As City is exempt from ad valorem taxes and assessments on the Site, no real estate taxes shall be prorated. Developer shall be responsible only for those taxes assessed after Closing.

3. Extraordinary Services of Escrow Agent.

Escrow fees and charges contemplated by this Agreement incorporate only the ordinary services of Escrow Agent as listed in this Agreement. In the event that Escrow Agent renders any service not provided for in this Agreement, or that Escrow Agent is made a party to, or reasonably intervenes in, any litigation pertaining to this Escrow or the subject matter thereof, then Escrow Agent shall be reasonably compensated for such extraordinary services and reimbursed for all costs and expenses occasioned by such default, controversy or litigation.

4. Escrow Agent's Right to Retain Documents.

Escrow Agent shall have the right to retain all documents and/or other things of value at any time held by it hereunder until such compensation, fees, costs and expenses are paid. The parties jointly and severally promise to pay such sums upon demand.

J. (§ 410) Termination of Escrow and Agreement.

1. Termination.

Escrow (and this Agreement) may be terminated by demand of a party which shall have performed its obligations hereunder if:

- (a) The Conditions to Closing for the benefit of a party have not occurred or have not been approved, disapproved, or waived as the case may be, by the benefitted party by the date established herein for the occurrence of such Condition, including any grace period pursuant to this Section; or
- (b) Escrow is not in a condition to Close by the date set for Closing; or
- (c) The other party is in breach of the terms and conditions of this Agreement.

In the event of the foregoing, the terminating party may, in writing, demand return of its money, papers, or documents from the Escrow Agent and shall deliver a copy of such demand to the non-terminating party. No demand shall be recognized by the Escrow Agent until thirty (30) days

after the Escrow Agent shall have mailed copies of such demand to the non-terminating party, and if no objections are raised in writing to the terminating party and the Escrow Agent by the non-terminating party within the thirty (30) day period. In the event of such objections, the opportunity to cure shall be provided as stated below in Subsection 2 of this Section. In addition, the Escrow Agent is authorized to hold all money, papers, and documents until instructed in writing by both Developer and City or, upon failure thereof, by a court of competent jurisdiction; provided that after expiration of the cure period provided in Subsection 2 of this Section, and if said condition has not been cured, the Deposit shall be retained by City as liquidated damages or the Deposit shall be paid by City to Developer as specified in Section 404, as the case may be, as required herein. If no such demands are made, the Escrow shall be closed as soon as possible and neither party shall have any further liability to the other.

2. Opportunity to Cure.

Prior to Closing, in the event any of the Conditions to Closing are not satisfied or waived by the party with the power to approve said Conditions (the "**approving party**"), then such party shall explain in writing to the other party (the "**non-approving party**") the reason for the disapproval. Thereafter, the non-approving party shall have an additional thirty (30) days to satisfy any such Condition to Closing, and only if such Conditions still cannot be satisfied may the approving party terminate the Escrow. In the event Escrow is not in a condition to Close because of a default by any party, and the performing party has made demand as stated in Subsection 1 of this Section, then upon the non-performing party's delivering its objection to Escrow Agent and the performing party within the above thirty (30) day period, the non-performing party shall have the right to cure the default in accordance with and in the time provided in Section 701.1.

(a) Liquidated Damages.

THE PARTIES HERETO, BEFORE ENTERING INTO THIS TRANSACTION, HAVE BEEN CONCERNED WITH THE FACT THAT SUBSTANTIAL DAMAGES WILL BE SUFFERED BY CITY IN THE EVENT THAT ESCROW SHOULD FAIL TO CLOSE. WITH THE FLUCTUATION IN LAND VALUES, THE UNPREDICTABLE STATE OF THE ECONOMY AND OF GOVERNMENTAL REGULATIONS, THE FLUCTUATING MONEY MARKET FOR REAL ESTATE, AND OTHER FACTORS WHICH DIRECTLY AFFECT THE VALUE AND MARKETABILITY OF THE SITE, THE PARTIES REALIZE THAT IT WOULD BE EXTREMELY DIFFICULT AND IMPRACTICABLE, IF NOT IMPOSSIBLE, TO ASCERTAIN WITH ANY DEGREE OF CERTAINTY PRIOR TO SIGNING THIS AGREEMENT, THE AMOUNT OF DAMAGES WHICH WOULD BE SUFFERED BY CITY IN THE EVENT THAT ESCROW FAILED TO TIMELY CLOSE. ACCORDINGLY, THE PARTIES HEREBY AGREE THAT A REASONABLE ESTIMATE OF SAID DAMAGES IS THE AMOUNT OF TWENTY THOUSAND DOLLARS (\$20,000). IF ESCROW FAILS TO CLOSE DUE TO THE DEFAULT OF DEVELOPER, CITY SHALL BE ENTITLED TO THE LIQUIDATED DAMAGES. THIS PROVISION DOES NOT APPLY TO OR LIMIT IN ANY WAY THE INDEMNITY OBLIGATIONS OF DEVELOPER UNDER THIS AGREEMENT.

City's Initials _____ Developer's Initials _____

K. (§ 411) Responsibility of Escrow Agent.

1. Deposit of Funds.

All funds received in Escrow shall be deposited by Escrow Agent in a special Escrow account with any state or national bank doing business in the State of California and may not be combined with other Escrow funds of Escrow Agent or transferred to any other general Escrow account or accounts.

2. Notices.

All communications from Escrow Agent shall be directed to the addresses and in the manner provided in Section 801 of this Agreement for notices, demands and communications between City and Developer.

3. Sufficiency of Documents.

Escrow Agent is not to be concerned with the sufficiency, validity, correctness of form, or content of any document prepared outside of Escrow and delivered to Escrow. The sole duty of Escrow Agent is to accept such documents and follow Developer's and City's instructions pursuant to this Agreement.

4. Exculpation of Escrow Agent.

Escrow Agent shall not be liable for the failure of any of the Conditions to Closing of this Escrow, forgeries or false personation, unless such liability or damage is the result of negligence or willful misconduct by Escrow Agent.

5. Responsibilities in the Event of Controversies.

If any controversy documented in writing arises between Developer and City or with any third party with respect to the subject matter of this Escrow or its terms or conditions, Escrow Agent shall not be required to determine the same, to return any money, papers or documents, or take any action regarding the Site prior to settlement of the controversy by a final decision by an arbitrator, by a court of competent jurisdiction, or by written agreement of the parties to the controversy, as the case may be. Escrow Agent shall be responsible for timely notifying Developer and City of the controversy. In the event of such a controversy, Escrow Agent shall not be liable for interest or damage costs resulting from failure to timely Close Escrow or take any other action unless such controversy has been caused by the failure of Escrow Agent to perform its responsibilities hereunder.

V. (§ 500) DEVELOPMENT OF THE SITE.

A. (§ 501) Scope of Development

The Site shall be rehabilitated and developed by Developer as provided in the Scope of Development, Developer's Basic Concept Drawings, and the plans and permits approved by City and City pursuant to Section 502. Notwithstanding any other provision set forth in this Agreement to the contrary, in the event of any conflict between the narrative description of the Project in this Agreement (including the Scope of Development) and the approved plans and permits, the approved plans and permits shall govern.

B. (§ 502) Development Plans. Final Building Plans. Environmental Review.

1. Proposed Development's Consistency with Plans and Codes; Assurances Regarding Entitlements.

City represents and warrants that the City's General Plan, Zoning Ordinance and other applicable requirements under this Agreement permit Developer's proposed development, and rehabilitation, operation, and use of the Site as provided in this Agreement, including without limitation the Scope of Development, subject only to (i) approval of the Project in accordance with applicable law, (ii) those development approvals yet to be obtained, including Site Plan Review, and any zoning change, if applicable, and (iii) City's and City's review and approval of the Project in accordance with the California Environmental Quality Act; provided that it is expressly understood by the parties that City makes no representations or warranties with respect to approvals required by any governmental entity or with respect to approvals hereinafter required from City and City, City

and City reserving full police power City over the Project. However, City shall reasonably cooperate with Developer in procuring the foregoing approvals. Nothing in this Agreement shall be deemed to be a prejudgment or commitment with respect to such items or a guarantee that such approvals or permits will be issued within any particular time or with or without any particular conditions.

DEVELOPER UNDERSTANDS THAT CITY IS NOT MAKING ANY ASSURANCE TO DEVELOPER REGARDING ISSUANCE OF ENTITLEMENTS OR APPROVALS REQUIRED FOR THE PROJECT. DEVELOPER IS AWARE THAT, NOTWITHSTANDING CURRENT ZONING FOR THE SITE, ZONING AND OTHER LAWS CAN CHANGE IN THE FUTURE. DEVELOPER IS PURCHASING THE SITE WITH FULL KNOWLEDGE THAT (I) THE PROJECT WILL BE SUBJECT TO THE STANDARD APPROVAL PROCESS AS REQUIRED BY THE BELL MUNICIPAL CODE AND APPLICABLE LAW; AND (II) AS A GOVERNMENTAL AGENCY, NEITHER CITY NOR CITY CAN BIND ITSELF WITH RESPECT TO DISCRETIONARY ACTIONS OR APPROVALS IN THIS AGREEMENT. DEVELOPER EXPRESSLY ACKNOWLEDGES THAT IT UNDERSTANDS AND, IF IT ELECTS TO PURCHASE THE SITE, IS KNOWINGLY ACCEPTING THE FOREGOING RISKS. DEVELOPER AGREES TO INDEMNIFY CITY WITH RESPECT TO ALL CLAIMS AND LITIGATION. THIS PROVISION SHALL SURVIVE TERMINATION OR EXPIRATION OF THIS AGREEMENT.

2. Evolution of Development Plan.

Concurrently with the approval of this Agreement, City has approved Developer's Basic Concept Drawings. On or before the date set forth in the Schedule of Performance, Developer shall submit to the City preliminary, and thereafter final, drawings and specifications for development of the Site in accordance with the Scope of Development, and all in accordance with the City's requirements. The term preliminary and final drawings shall be deemed to include site plans, building plans and elevations, grading plans, if applicable, landscaping plans, parking plans, material pallets, a description of structural, mechanical, and electrical systems, and all other plans, drawings and specifications. Final drawings will be in sufficient detail to obtain a building permit. Said plans, drawings and specifications shall be consistent with the Scope of Development and the various development approvals referenced hereinabove, except as such items may be amended by City (if applicable) and by mutual consent of City and Developer. Plans (concept, preliminary and construction) shall be progressively more detailed and will be approved if a logical evolution of plans, drawings or specifications previously approved.

3. Developer Efforts to Obtain Approvals.

Developer shall exercise its best efforts to timely submit all documents and information necessary to obtain all development and building approvals from the City in a timely manner, and City shall reasonably cooperate with Developer in connection therewith. Not by way of limitation of the foregoing, in developing and constructing the Project, Developer shall comply with all applicable development standards in City's Municipal Code and shall comply with all building codes, landscaping, signage, and parking requirements, except as may be permitted through approved variances and modifications. Developer's obtaining such approvals is not a contingency to the Closing of Escrow.

4. City's Reasonable Assistance.

Subject to Developer's compliance with (i) the applicable City and City development standards for the Site, and (ii) all applicable laws and regulations governing such matters as public hearings, site plan review and environmental review, City agrees to provide reasonable assistance to Developer, at no cost to City, in the expeditious processing of Developer's submittals required under this Section in order that Developer can obtain a final City action on such matters within the time set forth in the Schedule of Performance. City's failure to provide necessary approvals or permits

within such time periods, after and despite Developer's reasonable efforts to submit the documents and information necessary to obtain the same, shall constitute an Enforced Delay.

5. Disapproval.

City shall approve or disapprove any submittal made by Developer pursuant to this Section within thirty (30) days after such submittal. All submittals made by Developer shall note the thirty (30) day time limit, and specifically reference this Agreement and this section. Any disapproval shall state in writing in reasonable detail the reason for the disapproval and the changes which City requests be made. Developer shall make the required changes and revisions and resubmit for approval as soon as is reasonably practicable but no more than thirty (30) days of the date of disapproval. Thereafter, City shall have an additional ten (10) business days for review of the resubmittal, but if City disapproves the resubmittal, then the cycle shall repeat, until City's approval has been obtained. The foregoing periods may be shortened if so specified in the Schedule of Performance.

6. CEQA

City shall be responsible for obtaining the approval of this Agreement and the Project as required by the California Environmental Quality Act ("**CEQA**"). Without limitation of the foregoing, Developer specifically acknowledges and agrees that Developer shall satisfy all conditions necessary to ensure that the Project conforms to all applicable CEQA requirements. Upon City's request, Developer agrees to supply information and otherwise to assist City to determine the environmental impact of the proposed development and to allow City to prepare and process such environmental documents, if any, as may need to be completed for the development pursuant to the requirements of CEQA.

C. (§ 503) Costs of Rehabilitation.

The cost of developing the Site and rehabilitating all of the on-site and off-site improvements, if any, at or about the Site required to be constructed for the Project shall be borne solely by Developer. Developer shall comply with all applicable laws including prevailing wages (if applicable) and shall defend and hold City and City harmless from and against any and all increase in construction costs, or other liability, loss, damage, costs, or expenses (including reasonable attorneys' fees and court costs) arising from or as a result of any action or determination that Developer was subject to prevailing wages in connection with the construction of the Project.

D. (§ 504) Schedule of Performance; Progress Reports.

Developer shall begin and complete all plans, reviews, construction and development specified in the Scope of Development within the times specified in the Schedule of Performance or such reasonable extensions of said dates as may be mutually approved in writing by the parties.

Once construction is commenced, it shall be diligently pursued to completion, and shall not be abandoned for more than thirty (30) consecutive days, except when due to an Enforced Delay. Developer shall keep City informed of the progress of construction and submit to City written reports of the progress of the construction when and in the form requested by City.

E. (§ 505) Indemnification During Construction.

During construction on the Site and until such time as City has issued a Certificate of Completion, Developer agrees to and shall indemnify and hold City and the City harmless from and against all liability, loss, damage, costs, or expenses (including reasonable attorneys' fees and court costs) arising from or as a result of the death of any person or any accident, injury, loss, or damage whatsoever caused to any person or to the property of any person which shall occur on the Site and which shall be directly or indirectly caused by any acts done thereon or any errors or omissions of

Developer or its agents, servants, employees, or contractors. Developer shall not be responsible for (and such indemnity shall not apply to) any acts errors or omissions of City and the City or their respective agents, servants, employees or contractors. City and City shall not be responsible for any acts, errors or omissions of any person or entity except its own agents, servants, employees or contractors subject to any and all statutory and other immunities.

F. (§ 506) Bodily Injury, Property Damage and Workers' Compensation Insurance.

1. Types of Insurance.

Prior to the entry of Developer on the Site and the commencement of any construction by or on behalf of Developer (including without limitation any site preparation work such as soil and engineering tests and grading), Developer and/or its consultants, engineers, and contractors performing work on its behalf, shall procure and maintain (or cause to be procured and maintained), at its sole cost and expense, in a form and content reasonably satisfactory to City, during the entire term of such entry or construction, the following policies of insurance:

- (a) **Commercial General Liability Insurance (collectively "CGLI")** Developer shall keep or cause to be kept in force for the mutual benefit of City, City, and Developer CGL insurance against claims and liability for personal injury or death arising from the use, occupancy, disuse or condition of the Site, improvements or adjoining areas or ways, affected by such use of the Site or for property damage, providing protection of at least Two Million Dollars (\$2,000,000) for general aggregate, One Million Dollars (\$1,000,000) for any one accident or occurrence including bodily injury or property damage, at least One Million Dollars (\$1,000,000) for bodily injury or death to any one person.
- (b) **Builder's Risk Insurance.** Developer shall procure and shall maintain (or cause to be procured and maintained) in force "all risks" builder's risk insurance including vandalism and malicious mischief, covering improvements in place and all material and equipment at the job site furnished under contract, but excluding contractor's, subcontractor's, and construction manager's tools and equipment and property owned by contractor's or subcontractor's employees, with limits in accordance with subsection (a) above. Developer shall have no obligation to obtain or maintain builder's risk insurance prior to the commencement of construction.
- (c) **Workers' Compensation.** Developer shall also furnish or cause to be furnished to City evidence reasonably satisfactory to it that any contractor with whom Developer has contracted for the performance of any work for which Developer is responsible hereunder carries workers' compensation insurance as required by law.
- (d) **Other Insurance.** Developer shall also procure and maintain any insurance reasonably required by City after notice to Developer.

2. Policy Form, Content and Insurer.

All insurance required by express provisions hereof shall be carried only by insurance companies authorized to do business by California, rated "A-" or better in the most recent edition of Best Rating Guide, and only if they are of a financial category Class VIII or better. All such property policies shall contain language, to the extent obtainable, to the effect that (i) any loss shall be payable notwithstanding any act of negligence of City, City, or Developer that might otherwise result in the forfeiture of the insurance, (ii) Developer waives the right of subrogation against City/City and against City's/City's agents and representatives; (iii) the policies are primary and noncontributing with any insurance that may be carried by City/City; and (iv) the policies cannot be canceled or materially

changed except after thirty (30) days' written notice by the insurer to City or City's designated representative. Developer shall furnish City with certificates evidencing the insurance as well as full copies of the policies. City and City shall be named as additional insureds on all policies of insurance required to be procured by the terms of this Agreement other than workers' compensation insurance.

3. Failure to Maintain Insurance and Proof of Compliance.

Developer shall deliver to City, in the manner required for notices, copies of certificates of all insurance policies together with a copy of the policies required hereunder within the following time limits:

- (a) For insurance required above, prior to entry of Developer on the Site and the commencement of any construction by or on behalf of Developer.
- (b) For any renewal or replacement of a policy already in existence, simultaneously with the expiration or termination of the existing policy.

If Developer fails or refuses to procure or maintain insurance as required hereby or fails or refuses to furnish City with required proof that the insurance has been procured and is in force, such failure shall be a default hereunder, subject to the applicable cure period.

G. (§ 507) City and Other Governmental Agency Permits.

Before commencement of construction or development of any buildings, structures, or other work on the Site which are Developer's responsibility under the Scope of Development, Developer shall at its own expense secure or cause to be secured any and all permits which may be required by City or any other governmental agency affected by such construction, development or work. Developer shall not be obligated to commence construction if any such permit is not issued despite good faith effort by Developer. If there is delay beyond the usual time for obtaining any such permits due to no fault of Developer, the Schedule of Performance shall be extended to the extent such delay prevents any action which could not legally or would not in accordance with good business practices be expected to occur before such permit was obtained. Developer shall pay all normal and customary fees and charges applicable to such permits and any fees or charges hereafter imposed by City which are standard for and uniformly applied to similar projects in the City.

H. (§ 508) Rights of Access by City.

Representatives of City shall have the reasonable right of access to the Site at any time during normal construction hours during the period of construction, for the purpose of assuring compliance with this Agreement, including, but not limited to, the inspection of the construction work being performed by or on behalf of Developer. Such representatives of City shall be those who are so identified in writing by the City Manager of City. Each such representative of City shall identify himself or herself at the job site office upon his or her entrance to the Site, and shall provide Developer, or the construction superintendent or similar person in charge on the Site, a reasonable opportunity to have a representative accompany him or her during the inspection. City shall indemnify, defend, and hold Developer harmless from any injury or property damage caused or liability arising out of City exercise of this right of access.

I. (§ 509) Applicable Laws.

Developer shall carry out the construction of the improvements to be constructed by Developer in conformity with all applicable federal and state laws, including but not limited to labor laws.

J. (§ 510) Anti-discrimination during Construction.

Developer, for itself and its successors and assigns, agrees that in the construction of the improvements to be constructed by Developer, it shall not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, marital status, ancestry or national origin.

K. (§ 511) Taxes, Assessments. Encumbrances and Liens.

Developer shall pay, when due, all real estate taxes and assessments assessed or levied subsequent to conveyance of the Site, if any. Until the date Developer is entitled to the issuance of a Certificate of Completion (as defined in Section 513) executed by City, Developer shall not place or allow to be placed thereon any mortgage, trust deed, encumbrance or lien (except mechanic's liens prior to suit to foreclose the same being filed) prohibited by this Agreement.

Developer shall remove or have removed any levy or attachment made on the Site, or assure the satisfaction thereof, within a reasonable time, but in any event prior to a sale thereunder. Nothing herein contained shall be deemed to prohibit Developer from contesting the validity or amounts of any tax, assessment, encumbrance or lien, nor to limit the remedies available to Developer in respect thereto.

L. (§ 512) Rights of Holders of Approved Security Interests in Site.

1. Definitions.

As used in this Section, the term "mortgage" shall mean a mortgage, deed of trust, or other security interest, or sale and lease-back, or any other form of conveyance for financing. The term "holder" shall include the holder of any such mortgage, deed of trust, or other security interest, or the lessor under a lease-back, or the grantee under any other conveyance for financing.

2. No Encumbrances except Mortgages to Finance the Project.

Notwithstanding the restrictions on transfer in Section 303, mortgages required for any reasonable method of financing of the construction of the improvements are permitted before issuance of a Certificate of Completion but only for the purpose of securing loans of funds used or to be used for financing the acquisition of the Site, for the construction of improvements thereon, and for any other expenditures necessary and appropriate to develop the Site under this Agreement, or for restructuring or refinancing any of same, so long as the refinancing does not exceed the then-outstanding balance of the existing financing. Developer (or any entity permitted to acquire title under this Section) shall notify City in advance of any mortgage, if Developer or such entity proposes to enter into the same before issuance of the Certificate of Completion. Developer or such entity shall not enter into any such conveyance for financing without the prior written approval of City. Any lender approved by City shall not be bound by any amendment, implementation, or modification to this Agreement subsequent to its approval without such lender giving its prior written consent thereto. In any event, Developer shall promptly notify City of any mortgage, encumbrance, or lien that has been created or attached thereto prior to issuance of a Certificate of Completion, whether by voluntary act of Developer or otherwise.

3. Developer's Breach Shall Not Defeat Mortgage Lien.

Developer's breach of any of the covenants or restrictions contained in this Agreement shall not defeat or render invalid the lien of any mortgage made in good faith and for value as to the Site, or any part thereof or interest therein, but unless otherwise provided herein, the terms, conditions, covenants, restrictions, easements, and reservations of this Agreement shall be binding and effective against the holder of any such mortgage of the Site whose interest is acquired by foreclosure,

trustee's sale or otherwise.

4. Holder Not Obligated to Construct or Complete Improvements.

The holder of any mortgage shall in no way be obligated by the provisions of this Agreement to construct or complete the improvements or to guarantee such construction or completion. Nothing in this Agreement shall be deemed or construed to permit or authorize any such holder to devote the Site or any portion thereof to any uses, or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this Agreement.

5. Notice of Default to Mortgagee, Deed of Trust or Other Security Interest Holders.

Whenever City shall deliver any notice or demand to Developer with respect to any breach or default by Developer hereunder, City shall at the same time deliver a copy of such notice or demand to each holder of record of any mortgage who has previously made a written request to City therefor, or to the representative of such lender as may be identified in such a written request by the lender. No notice of default shall be effective as to the holder unless such notice is given.

6. Right to Cure.

Each holder (insofar as the rights of City are concerned) shall have the right, at its option, within ninety (90) days after the receipt of the notice, to:

- (a) Obtain possession, if necessary, and to commence and diligently pursue said cure until the same is completed, and
- (b) Add the cost of said cure to the security interest debt and the lien or obligation on its security interest;

provided that in the case of a default which cannot with diligence be remedied or cured within such ninety (90) day period, such holder shall have additional time as reasonably necessary to remedy or cure such default.

In the event there is more than one such holder, the right to cure or remedy a breach or default of Developer under this Section shall be exercised by the holder first in priority or as the holders may otherwise agree among themselves, but there shall be only one exercise of such right to cure and remedy a breach or default of Developer under this Section.

No holder shall undertake or continue the construction or completion of the improvements (beyond the extent necessary to preserve or protect the improvements or construction already made) without first having expressly assumed Developer's obligations to City by written agreement satisfactory to City with respect to the Site or any portion thereof in which the holder has an interest. The holder must agree to complete, in the manner required by this Agreement, the improvements to which the lien or title of such holder relates, and submit evidence satisfactory to City that it has the qualifications and financial responsibility necessary to perform such obligations. Any holder property completing such improvements shall be entitled, upon written request made to City, to a Certificate of Completion from City.

7. City's Rights upon Failure of Holder to Complete Improvements.

In any case where one hundred eighty (180) days after default by Developer in completion of construction of improvements under this Agreement, the holder of any mortgage creating a lien or encumbrance upon the Site or improvements thereon has not exercised the option to construct afforded in this Section or if it has exercised such option and has not proceeded diligently with

construction, City may, after ninety (90) days' notice to such holder and if such holder has not exercised such option to construct within said ninety (90) day period, purchase the mortgage, upon payment to the holder of an amount equal to the sum of the following:

- (a) The unpaid mortgage debt plus any accrued and unpaid interest (less all appropriate credits, including those resulting from collection and application of rentals and other income received during foreclosure proceedings, if any);
- (b) All expenses, incurred by the holder with respect to foreclosure, if any;
- (c) The net expenses (exclusive of general overhead), incurred by the holder as a direct result of the ownership or management of the Site, such as insurance premiums or real estate taxes, if any;
- (d) The costs of any improvements made by such holder, if any; and
- (e) An amount equivalent to the interest that would have accrued on the aggregate of such amounts had all such amounts become part of the mortgage debt and such debt had continued in existence to the date of payment by City.

In the event that the holder does not exercise its option to construct afforded in this Section, and City elects not to purchase the mortgage of holder, upon written request by the holder to City, City agrees to use reasonable efforts to assist the holder selling the holder's interest to a qualified and responsible party or parties (as determined by City), who shall assume the obligations of making or completing the improvements required to be constructed by Developer, or such other improvements in their stead as shall be satisfactory to City. The proceeds of such a sale shall be applied first to the holder of those items specified in subparagraphs (a) through (e) hereinabove, and any balance remaining thereafter shall be applied as follows:

- (a) First, to reimburse City, on its own behalf and on behalf of the City, for all costs and expenses actually and reasonably incurred by City, including but not limited to payroll expenses, management expenses, legal expenses, and others.
- (b) Second, to reimburse City, on its own behalf and on behalf of the City, for all payments made by City to discharge any other encumbrances or liens on the Site or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due, to obligations, defaults, or acts of Developer, its successors or transferees.
- (c) Third, to reimburse City, on its own behalf and on behalf of the City, for all costs and expenses actually and reasonably incurred by City, in connection with its efforts assisting the holder in selling the holder's interest in accordance with this Section.
- (d) Fourth, any balance remaining thereafter shall be paid to Developer.

8. Right of City to Cure Mortgage, Deed of Trust or Other Security Interest; Default.

In the event of a default or breach by Developer (or entity permitted to acquire title under this Section) of a mortgage prior to the issuance by City of a Certificate of Completion for the Site or portions thereof covered by said mortgage, and the holder of any such mortgage has not exercised its option to complete the development, City may cure the default prior to completion of any foreclosure. In such event, City shall be entitled to reimbursement from Developer or other entity of all costs and expenses incurred by City in curing the default, including legal costs and reasonable attorneys' fees, which right of reimbursement shall be secured by a lien upon the Site to the extent

of such costs and disbursements. Any such lien shall be subject to:

- (a) Any mortgage for financing permitted by this Agreement; and
- (b) Any rights or interests provided in this Agreement for the protection of the holders of such mortgages for financing;

provided that nothing herein shall be deemed to impose upon City any affirmative obligations (by the payment of money, construction or otherwise) with respect to the Site in the event of its enforcement of its lien.

9. Right of City to Satisfy Other Liens on the Property After Conveyance of Title.

After the conveyance of title and prior to the recordation of a Certificate of Completion for construction and development, and after Developer has had a reasonable time to challenge, cure, or satisfy any liens or encumbrances on the Site or any portion thereof, City shall have the right to satisfy any such liens or encumbrances; provided, however, that nothing in this Agreement shall require Developer to pay or make provision for the payment of any tax, assessment, lien or charge so long as Developer in good faith shall contest the validity or amount thereof, and so long as such delay in payment shall not subject the Site or any portion thereof to forfeiture or sale.

10. Minor Amendments.

The City Manager shall be authorized to approve and execute on behalf of City (with City attorney's concurrence) minor non-substantive amendments to this Agreement (which may include extensions of time periods) as may be requested by Developer's lender in relation to the protection of such lender's security interest in the Site, without formal approval of the City Council.

M. (§ 513) Certificate of Completion.

Upon the completion of all construction required to be completed by Developer on the Site pursuant to the terms of this Agreement (including opening of operations as specified in Section 601) and the opening of Developer's business, City shall furnish Developer with the Certificate of Completion for the Site in the form of Attachment No. 11 upon written request therefor by Developer. The Certificate of Completion shall be executed and notarized and recorded in the Office of the Recorder of Los Angeles County.

After the issuance of a Certificate of Completion, any party then owning or thereafter purchasing, leasing or otherwise acquiring any interest in the Site shall not (because of such ownership, purchase, lease, or acquisition) incur any obligation or liability under this Agreement, except that such party shall be bound by the covenants, encumbrances, and easements of record.

City shall not unreasonably withhold a Certificate of Completion. If City refuses or fails to furnish a Certificate of Completion within thirty (30) days after written request from Developer or any entity entitled thereto, City shall provide a written statement of the reasons City refused or failed to furnish a Certificate of Completion. The statement shall also contain City's opinion of the action Developer must take to obtain a Certificate of Completion. If the reason for such refusal is confined to the immediate availability of specific items or materials for landscaping, or other minor so-called "punch list" items, City will issue its Certificate of Completion upon the posting of a bond or other security reasonably acceptable to City by Developer with City in an amount representing one hundred fifty percent (150%) of the fair value of the work not yet completed or other assurance reasonably satisfactory to City.

A Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to any holder of a mortgage, or any insurer of a mortgage securing money loaned to finance the improvements, or any part thereof. Such Certificate of Completion is not notice of completion as referred to in the California Civil Code Section 3093. Nothing herein shall prevent or affect Developer's right to obtain a Certificate of Occupancy from the City before the Certificate of Completion is issued.

N. (§ 514) Estoppels.

At the request of Developer or any holder of a mortgage or deed of trust, City shall, from time to time and upon the request of such holder, timely execute and deliver to Developer or such holder a written statement of City that no default or breach exists (or would exist with the passage of time, or giving of notice or both) by Developer under this Agreement, if such be the fact, and certifying as to whether or not Developer has at the date of such certification complied with any obligation of Developer hereunder as to which Developer or such holder may inquire. The form of any estoppel letter shall be prepared by the holder or Developer and shall be at no cost to City.

O. (§ 515) Improvements and Construction Loan.

Within the Feasibility Period, Developer shall provide City for City's approval, a detailed summary of the work of the proposed improvements for the Project, together with a construction budget for same ("**Construction Budget**"). Developer shall provide such supporting information for the Construction Budget as City may reasonably request. It is a condition to City's obligations to close the transaction that Developer obtains a construction loan for the improvements which must be recorded concurrently with the Grant Deed ("**Construction Loan**").

P. (§ 516) Subordination.

City agrees to subordinate the City Deed of Trust to a Construction Loan and subsequently to a permanent loan obtained by the Developer as part of the financing of the Project, including any refinancing thereof established and obtained pursuant to and in compliance with the provisions of this Agreement. The City Manager is hereby authorized and directed to execute such subordination agreements, and minor modifications to this Agreement, the Note, the City Deed of Trust, the Deed, the Covenant Agreement and/or other documents as may be reasonably requested by the lender providing the Construction Loan ("**Construction Lender**"). The execution of such agreements is subject to the requirement that such agreements contain written provisions which the City Manager finds are consistent with the standard requirements imposed by the lender and commonly required for financing of similar projects in Los Angeles county, the subordination requirements contained in this Agreement and that City be given notice and be permitted an opportunity to cure any defaults under the senior lien within a reasonable time.

City shall only be required to subordinate the Deed of Trust and the applicable covenants in this Agreement and the Deed to the Construction Loan provided the following requirements are satisfied:

- a. Developer is not in default under any obligations to the City including, but not limited to, the Note, the City Deed of Trust and this Agreement.
- b. The Construction Loan with the proceeds to be used solely for construction of the Project with no land draw permitted. The loan agreement shall mandate a construction disbursement control system providing for period disbursements based upon submission of mechanic lien releases and inspection reports confirming the completion of the work. The loan budget shall be subject to the reasonable review and approval of City. The Construction Loan shall also mandate construction of the improvements consistent with the Schedule of Performance.

- c. Interest rate and other terms shall be commercially reasonable for similar projects in Los Angeles County.
- d. The Construction Lender shall agree to provide City with any notice of default which is provided by the senior lender to Developer and provide City with the right (but not the obligation) to cure any default and extend the time for such cure provided City is diligently processing the cure of such default.
- e. City will execute a subordination agreement for recordation as reasonably required by a title company to provide title insurance for the Construction Loan.
- f. The Construction Lender shall agree to a request for special notice to be recorded concurrently with the subordination agreement.
- g. The Construction Lender agrees to provide City with any notice of default which is provided by the Construction Lender to Developer and provide City with the right (but not the obligation) to cure any default and extend the time for such cure provided City is diligently processing the cure of such default.
- h. Concurrently with the recordation of the subordination agreement, the City Title Policy shall be updated as required by City at Developer's cost and expense insuring the Deed of Trust is junior only to the specified senior loan.
- i. City shall be provided complete executed copies of all Construction Loan documents.

City shall only be required to subordinate the Deed of Trust, and the applicable covenants in this Agreement and the Deed to a permanent loan provided the following requirements are satisfied:

- a. Developer is not in default under any obligations to the City including, but not limited to, the Note, the Deed of Trust and this Agreement.
- b. The Project has been completed in accordance with this Agreement.
- c. The senior loan amount shall not exceed the greater of (i) current balance of the construction loan plus the reasonable costs to be secure such loan, or (ii) eighty percent (80%) of the value of the Project.
- d. The monthly payments under the senior loan shall be amortized over not less than twenty-five (25) years.
- e. Developer shall provide reasonable evidence to City that the proceeds from the Project shall be sufficient to pay the payments under the senior loan.
- f. Interest rate and other terms shall be commercially reasonable for similar projects in Los Angeles County.
- g. The senior lender agrees to provide City with any notice of default which is provided by the senior lender to Developer and provide City with the right (but not the obligation) to cure any default and extend the time for such cure provided City is diligently processing the cure of such default.
- h. City will execute a subordination agreement for recordation as reasonably required by a title company to provide title insurance for the senior loan.

- i. The senior lender will agree to a request for special notice to be recorded concurrently with the subordination agreement.
- j. Concurrently with the recordation of the subordination agreement, the City's Title Policy shall be updated as required by City at Developer's cost and expense insuring the Deed of Trust is junior only to the specified senior loan.
- k. City shall be provided complete executed copies of all senior loan documents.

City shall be entitled to prompt reimbursement from Developer for any costs associated with curing a default on a senior lien. If not paid by Developer, such sum shall be added to the Note and secured by the Deed of Trust.

VI. § 600) USES OF THE SITE.

A. (§ 601) Uses.

Developer covenants and agrees for itself, its successors, its assigns and every successor in interest during construction and thereafter, Developer, such successors and such assigns shall devote the Site to the uses specified therefor in the Grant Deed, Covenant Agreement and this Agreement. Within ninety (90) days of completion of construction, Developer agrees to commence (a) business operations of a food hall on the Site; and (b) business operations of restaurants, bar-related purposes including retail or otherwise approved by City pursuant to Operational Leases. After commencing business operations in the time specified, Developer shall have the right at any time thereafter to cease to conduct any business operations at the Site, but such event shall trigger the City's right to accelerate the full payment of the Note. However, the limitation on the use of Site specified in the Grant Deed and Covenant Agreement shall remain in full force and effect.

Furthermore, Developer shall have the right to utilize the Site for ancillary and complementary uses that enhance the vibrancy of the development, promote community engagement, generate additional revenue, and drive foot traffic to the Site provided any such uses have been approved by City pursuant to the City requirements and all City permits have been issued.

B. (§ 602) Employment of Local Residents.

A goal of the City with respect to this Project and other major projects within the City is to secure employment opportunities for Bell residents. To that end, Developer covenants that Developer shall make reasonable efforts to cause all solicitations for full or part-time, new or replacement, employment relating to the continuing operation of the Project by coordinating with local employment centers and agencies and advertising in local publications and online. Upon City's request from time to time, Developer shall provide a written summary of its efforts under this Section. Developer shall require any tenants under Operational Leases to also comply with this covenant.

C. (§ 603) Obligation to Refrain from Discrimination.

There shall be no discrimination against, or segregation of, any persons, or group of persons, on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the rental, sale, lease, sublease, transfer, use, occupancy, or enjoyment of the Site, or any portion thereof, nor shall Developer, or any person claiming under or through Developer, 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 of the Site or any portion thereof. The nondiscrimination and non-segregation covenants contained herein shall remain in effect in perpetuity.

D. (§ 604) Form of Nondiscrimination and Non-Segregation Clauses.

Developer shall refrain from restricting the rental, sale, or lease of any portion of the Site on the basis of race, color, creed, religion, sex, marital status, ancestry or national origin of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or non-segregation clauses:

1. Deeds.

In Deeds the following language shall appear: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee, or any persons claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

2. Leases.

In Leases the following language shall appear: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee, or any person claiming under or through him or her, establish or permit any such practice or practices, of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants or vendees in the premises herein leased."

3. Contracts.

Any contracts which Developer or, Developer's heirs, executors, administrators, or assigns propose to enter into for the sale, transfer, or leasing of the Site shall contain a nondiscrimination and non-segregation clause substantially as set forth in Section 602 and in this Section. Such clause shall bind the contracting party and subcontracting party or transferee under the instrument.

E. (§ 605) Maintenance of Improvements.

Developer covenants and agrees for itself, its successors and assigns, and every successor in interest to the Site or any part thereof, that, after City's issuance of its Certificate of Completion, Developer shall be responsible for maintenance of all improvements on the Site from time to time (including without limitation buildings, parking lots, lighting, signs, and walls), in first class condition and repair of comparable properties to the extent practical considering the age of the building, and shall keep the Site free from any accumulation of debris or waste materials. Developer shall also maintain all landscaping required pursuant to Developer's approved landscaping plan in a healthy condition, including prompt replacement of any dead or diseased plants. The foregoing maintenance obligations shall run with the land and thereby become the obligations of any transferee of the Site or any portion thereof. Developer's further obligations to maintain the Site and City's remedies in the event of Developer's default in performing such obligations are set forth in the Grant Deed, City Parcel Easement and the Covenant Agreement. Developer (for itself and any successor and assigns) waives any notice, public hearing, and other requirements of the public nuisance laws and ordinances of the City that would otherwise apply, except as specified in the Covenant Agreement.

F. (§ 606) Covenants Run with Land: Effect of Covenants.

- (a) All of the provisions, agreements, rights, powers, standards, terms, covenants and obligations contained in this Agreement shall be binding upon the parties and their respective heirs, successors (by merger, consolidation, or otherwise) and assigns, devisees, administrators, representatives, lessees, and all other persons acquiring any rights or interests in the Site, or any portion thereof, whether by operation of laws or in any manner whatsoever and shall inure to the benefit of the parties and their respective heirs, successors (by merger, consolidation or otherwise) and assigns.
- (b) All of the provisions of this Agreement shall be enforceable as equitable servitudes and constitute covenants running with the land pursuant to applicable law.
- (c) Each covenant to do or refrain from doing some act on the Site hereunder (i) is for the benefit of and is a burden upon every portion of the Site, (ii) runs with such lands, and (iii) is binding upon each party and each successive owner during its ownership of such properties or any portion thereof, and each person having any interest therein derived in any manner through any owner of such lands, or any portion thereof, and each other person succeeding to an interest in such lands.

VII. (§ 700) DEFAULTS, REMEDIES, TERMINATION, AND LITIGATION.

A. (§ 701) Defaults, Right to Cure and Waivers.

Subject to any Enforced Delay, failure or delay by either party to timely perform any covenant of this Agreement constitutes a default under this Agreement, but only if the party who so fails or delays does not commence to cure, correct or remedy such failure or delay within thirty (30) days after receipt of a written notice specifying such failure or delay, and does not thereafter prosecute such cure, correction or remedy with diligence to completion.

The injured party shall give written notice of default to the party in default, specifying the default complained of by the injured party. Except as required to protect against further damages, the injured party may not institute proceedings against the party in default until thirty (30) days after giving such notice. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default.

Except as otherwise provided in this Agreement, waiver by either party of the performance of any covenant, condition, or promise, shall not invalidate this Agreement, nor shall it be considered a waiver of any other covenant, condition, or promise. Waiver by either party of the time for performing any act shall not constitute a waiver of time for performing any other act or an identical act required to be performed at a later time. The delay or forbearance by either party in exercising any remedy or right as to any default shall not operate as a waiver of any default or of any rights or remedies or to deprive such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.

B. (§ 702) Legal Actions.

1. Institution of Legal Actions.

In addition to any other rights or remedies, and subject to the requirements of Section 701, either party may institute legal action to cure, correct or remedy any Default, to recover damages for any Default, or to obtain any other remedy consistent with the purpose of this Agreement. Legal actions must be instituted and maintained in the Superior Court of the County of Los Angeles, State

of California, in any other appropriate court in that county, or in the Federal District Court in the Central District of California.

2. Applicable Law and Forum.

The internal laws of the State of California shall govern the interpretation and enforcement of this Agreement, without regard to conflict of law principles.

3. Acceptance of Service of Process.

In the event that any legal action is commenced by Developer against City, service of process on City shall be made by personal service upon the City Manager or Clerk of City, or in such other manner as may be provided by law.

In the event that any legal action is commenced by City against Developer, service of process on Developer shall be made in such manner as may be provided by law and shall be valid whether made within or without the State of California.

C. (§ 703) Rights and Remedies are Cumulative.

Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of its rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

D. (§ 704) Waiver.

Except as otherwise provided in this Agreement, waiver by either party of the performance of any covenant, condition, or promise shall not invalidate this Agreement, nor shall it be considered a waiver of any other covenant, condition, or promise. Waiver by either party of the time for performing any act shall not constitute a waiver of time for performing any other act or an identical act required to be performed at a later time. The delay or forbearance by either party in exercising any remedy or right as to any default shall not operate as a waiver of any default or of any rights or remedies or to deprive such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.

E. (§ 705) Specific Performance.

In addition to any other remedies permitted by this Agreement, if either party defaults hereunder by failing to perform any of its obligations herein, each party agrees that the other shall be entitled to the judicial remedy of specific performance, and each party agrees (subject to its reserved right to contest whether in fact a default does exist) not to challenge or contest the appropriateness of such remedy. In this regard, Developer specifically acknowledges that City is entering into this Agreement for the purpose of assisting in the redevelopment of the Site and not for the purpose of enabling Developer to speculate with land.

F. (§ 706) Option to Reacquire.

City shall have the right, at its option, to reenter and take possession of the Site with all improvements thereon and to terminate and re-vest in City the estate conveyed to Developer if, after Closing and prior to the recordation of the Certificate of Completion, Developer (or its successors in interest) shall:

1. Fail to commence construction of the improvements as required by this Agreement for a period of ninety (90) days after written notice to proceed from City, provided that Developer shall not have obtained an extension or postponement to which Developer

may be entitled pursuant to this Agreement; or

2. Abandon or substantially suspend construction of the improvements for a period of ninety (90) days after written notice of such abandonment or suspension from City, provided that Developer shall not have obtained an extension of time to which Developer may be entitled pursuant to this Agreement; or

3. Assign or attempt to assign this Agreement, or any rights herein, or transfer, or suffer any involuntary transfer of, the Site, or any part thereof, in violation of this Agreement, and such violation shall not be cured within one hundred twenty (120) days after the date of receipt of written notice thereof by City to Developer.

The right to re-enter, repossess, terminate, and re-vest shall be subject to and be limited by and shall not defeat, render invalid, or limit:

- (a) Any mortgage, deed of trust, or other security interests permitted by this Agreement.
- (b) Any rights or interests provided in this Agreement for the protection of the holders of such mortgages, deeds of trust, or other security interests.

Upon the re-vesting in City of possession to the Site, as provided in this Section 706, City shall, pursuant to its responsibilities under state law, use its best efforts to sell the Site as soon and in such manner as City shall find feasible and consistent with the objectives of such law to a qualified and responsible party or parties (as determined by City), who will assume the obligation of making or completing the improvements, or such other improvements in their stead, as shall be satisfactory to City and in accordance with the uses specified for the Site in accordance with law.

In the event of a sale of the property pursuant to the foregoing, the proceeds thereof shall be applied as follows:

- (a) First, to reimburse City on its own behalf or on behalf of the City for all costs and expenses incurred by City, including but not limited to, salaries to personnel, legal costs and attorneys' fees, and all other contractual expenses in connection with the recapture, management, and sale of the Site (but less any income derived by City from the Site or part thereof in connection with such management); all taxes, assessments and water and sewer charges with respect to the Site; any payments made or necessary to be made to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations incurred with respect to the making or completion of the agreed improvements or any part thereof on the Site or part thereof; and amounts otherwise owing City by Developer, its successors, or transferees; and
- (b) Second, to reimburse Developer, its successor or transferee, up to the amount equal to (i) the sum of the Purchase Price paid to City by Developer for the Site, (ii) the costs incurred for the development of the Site and for the agreed improvements existing on the Site at the time of the re-entry and repossession, less (iii) any gains or income withdrawn or made by Developer from the Site or the improvements thereon.
- (c) Any balance remaining after such reimbursements shall be retained by City as its property.

To the extent that the right established in this Section involves a forfeiture, it must be strictly interpreted against City, the party for whose benefit it is created. The rights established in this Section are to be interpreted in light of the fact that City will sell the Site to Developer for development and not for speculation in undeveloped land.

City shall have the right, at its option, to reenter and take possession of the Site with all improvements thereon and to terminate and re-vest in City the estate conveyed to Developer if, after Closing and prior to the recordation of the Certificate of Completion, Developer (or its successors in interest) shall:

4. Fail to commence construction of the improvements as required by this Agreement for a period of ninety (90) days after written notice to proceed from City, provided that Developer shall not have obtained an extension or postponement to which Developer may be entitled pursuant to this Agreement; or

5. Abandon or substantially suspend construction of the improvements for a period of ninety (90) days after written notice of such abandonment or suspension from City, provided that Developer shall not have obtained an extension of time to which Developer may be entitled pursuant to this Agreement; or

6. Assign or attempt to assign this Agreement, or any rights herein, or transfer, or suffer any involuntary transfer of, the Site, or any part thereof, in violation of this Agreement, and such violation shall not be cured within one hundred twenty (120) days after the date of receipt of written notice thereof by City to Developer.

The right to re-enter, repossess, terminate, and re-vest shall be subject to and be limited by and shall not defeat, render invalid, or limit:

- (a) Any mortgage, deed of trust, or other security interests permitted by this Agreement.
- (b) Any rights or interests provided in this Agreement for the protection of the holders of such mortgages, Deed of trust, or other security interests.

Upon the re-vesting in City of possession to the Site, as provided in this Section 706, City shall, pursuant to its responsibilities under state law, use its best efforts to sell the Site as soon and in such manner as City shall find feasible and consistent with the objectives of such law to a qualified and responsible party or parties (as determined by City), who will assume the obligation of making or completing the improvements, or such other improvements in their stead, as shall be satisfactory to City and in accordance with the uses specified for the Site in the Redevelopment Plan.

In the event of a sale of the property pursuant to the foregoing, the proceeds thereof shall be applied as follows:

- (a) First, to reimburse City on its own behalf or on behalf of the City for all costs and expenses incurred by City, including but not limited to, salaries to personnel, legal costs and attorneys' fees, and all other contractual expenses in connection with the recapture, management, and sale of the Site (but less any income derived by City from the Site or part thereof in connection with such management); all taxes, assessments and water and sewer charges with respect to the Site (or, in the event that Site is exempt from taxation or assessment or such charges during the period of ownership, then such taxes, assessments, or charges, as determined by the City, as would have been payable if the Site were not so exempt); any payments made or necessary to be made to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations incurred with respect to the making or completion of the agreed improvements or any part thereof on

the Site or part thereof; and amounts otherwise owing City by Developer, its successors, or transferees; and

- (b) Second, to reimburse Developer, its successor or transferee, up to the amount equal to (i) the sum of the Purchase Price paid to City by Developer for the Site, (ii) the costs incurred for the development of the Site and for the agreed improvements existing on the Site at the time of the re-entry and repossession, less (iii) any gains or income withdrawn or made by Developer from the Site or the improvements thereon.
- (c) Any balance remaining after such reimbursements shall be retained by City as its property.

To the extent that the right established in this Section involves a forfeiture, it must be strictly interpreted against City, the party for whose benefit it is created. The rights established in this Section are to be interpreted in light of the fact that City will sell the Site to Developer for development and not for speculation in undeveloped land.

G. (§ 707) Attorney's Fees.

If either party to this Agreement is required to initiate or defend any action or proceeding in any way arising out of the parties' agreement to, or performance of this Agreement, or is made a party to any action or proceeding by Escrow Agent or other third party, such that the parties hereto are adversarial, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees from the other. As used herein, the **"prevailing party"** shall be the party determined as such by a court of law pursuant to the definition in Code of Civil Procedure Section 1032(a)(4), as it may be subsequently amended. Attorney's fees shall include attorney's fees on any appeal, and in addition a party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

VIII. (§ 800) GENERAL PROVISIONS.

A. (§ 801) Notices, Demands and Communications between the Parties.

Except as expressly provided to the contrary herein, any notice, consent, report, demand, document or other such item to be given, delivered, furnished or received hereunder shall be deemed given, delivered, furnished, and received when given in writing and personally delivered to an authorized agent of the applicable party, or upon delivery by the United States Postal Service, first-class registered or certified mail, postage prepaid, return receipt requested, or by a national "overnight courier" such as Federal Express, at the time of delivery shown upon such receipt; in either case, delivered to the address, addresses and persons as each party may from time to time by written notice designate to the other and who initially are:

To City: City of Bell
6330 Pine Ave.
Bell, California 90201
Attn: City Manager

With a Copy to: Aleshire & Wynder, LLP
1 Park Plaza, Suite 1000
Irvine, CA 92614
Attention: David Aleshire/Anne Lanphar,

City Attorney

To Developer: Gentefy Holdings, Inc.
622 West Hart Place
Montebello, CA 90640
Attn. Barney Santos

With a Copy to: Bruno Group Inc.
330 N Brand Blvd Suite 705
Glendale, Ca 91203
Attn. Alex Bruno

To Escrow Holder: Fidelity National Title Insurance Company
555 S. Flower St., Suite 4420
Los Angeles, CA 90017
Attn. Jessica Avila, J.D., AVP,
Commercial Escrow Officer

B. (§ 802) Non-Liability of City and City Officials and Employees: Conflicts of Interest: Commissions.

1. Personal Liability.

No member, official, employee, agent or contractor of City shall be personally liable to Developer in the event of any default or breach by City or for any amount which may become due to Developer or on any obligations under the terms of the Agreement; provided, it is understood that nothing in this Section 802 is intended to limit City's liability.

2. Conflict of Interest, Warranty, and Representation of Non-Collusion.

No official, officer, or employee of City has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of City participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be consistent with State law and shall not include interest found to be "remote" or non "interest" pursuant to California Government Code Sections 1091 and 1091.5. Developer warrants and represents that (s)he/it has not paid or given, and will not pay or give, to any third party including, but not limited to, any City official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded this Agreement. Developer further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any City official, officer, or employee, as a result or consequence of obtaining or being awarded any agreement. Developer is aware of and understands that any such act(s), omission(s) or other conduct resulting in the payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

3. Commissions.

Neither City nor Developer have retained any broker or finder or paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Agreement. Neither party shall be liable for any real estate commissions, brokerage fees or finders' fees which may arise from this Agreement, and each party agrees to hold the other party harmless from any claim by any broker, agent, or finder retained by such party

C. (§ 803) Enforced Delay: Extension of Times of Performance.

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

Notwithstanding the foregoing, in addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; supernatural causes; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; subsurface conditions on the Site and unknown soils conditions; governmental restrictions or priority litigation; unusually severe weather; inability to secure necessary labor, materials or tools; delays of any contractor, subcontractor or supplier; acts of the other party; acts or the failure to act of a public or governmental City or entity (except that acts or the failure to act of City shall not excuse performance by City); or any other causes beyond the reasonable control or without the fault of the party claiming an extension of time to perform. In the event of such a delay (herein "**Enforced Delay**"), the party delayed shall continue to exercise reasonable diligence to minimize the period of the delay. An extension of time for any such cause shall be limited to the period of the enforced delay, and shall commence to run from the time of the commencement of the cause, provided notice by the party claiming such extension is sent to the other party within ten (10) days of the commencement of the cause. Failure to provide such notice shall constitute a waiver of the claim.

The following shall not be considered as events or causes beyond the control of Developer, and shall not entitle Developer to an extension of time to perform: (i) Developer's failure to obtain financing for the Project, (ii) Developer's failure to secure approvals for the Project; or (iii) Developer's failure to negotiate agreements with prospective users for the Project or the alleged absence of favorable market conditions for such uses.

Times of performance under this Agreement may also be extended by mutual written agreement by City and Developer. The City Manager of City shall have the City on behalf of City to approve extensions of time not to exceed a cumulative total of one hundred eighty (180) days with respect to the development of the Site.

D. (§ 804) Books and Records.

1. Developer to Keep Records.

Developer shall prepare and maintain all books, records and reports necessary to substantiate Developer's compliance with the terms of this Agreement or reasonably required by City.

2. Right to Inspect

Either party shall have the right, upon not less than seventy-two (72) hours' notice, at all reasonable times, to inspect the books and records of the other party pertaining to the Site as pertinent to the purposes of this Agreement.

3. Ownership of Documents.

Copies of all drawings, specifications, reports, records, documents and other materials pertaining to the condition of the Site prepared by Developer, its employees, agents and subcontractors, in the performance of this Agreement, which documents are in the possession of Developer and are not confidential shall be delivered to City upon request in the event of a termination of this Agreement, and Developer shall have no claim for additional compensation as a result of the exercise by City of its rights hereunder. City shall have an unrestricted right to use such documents and materials as if it were in all respects the owner of the same, provided, however, that

(i) City shall have no rights of reliance thereon, and (ii) Developer makes no warranty or representation regarding the completeness, accuracy or sufficiency of such documents, and Developer shall have no liability therefor or in connection therewith. Notwithstanding the foregoing, City shall not have any right to sell, license, convey or transfer the documents and materials to any third party, or to use the documents and materials for any other site, except in the case of a termination of this Agreement due to default of Developer.

E. (§ 805) Assurances to Act in Good Faith.

City and Developer agree to execute all documents and instruments and to take all action, including deposit of funds in addition to such funds as may be specifically provided for herein, and as may be reasonably required in order to consummate conveyance and development of the Site as herein contemplated, and shall use their commercially reasonable efforts, to accomplish the Closing and subsequent development of the Site in accordance with the provisions hereof. City and Developer shall each diligently and in good faith pursue the satisfaction of any conditions or contingencies subject to their approval.

F. (§ 806) Interpretation.

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply. The section headings are for purposes of convenience only and shall not be construed to limit or extend the meaning of this Agreement. This Agreement includes all attachments attached hereto, which are by this reference incorporated in this Agreement in their entirety. This Agreement also includes the Redevelopment Plan and any other documents incorporated herein by reference, as though fully set forth herein.

G. (§ 807) Entire Agreement, Waivers and Amendments.

This Agreement integrates all of the terms and conditions mentioned herein, or incidental hereto, and this Agreement supersedes all negotiations and previous agreements between the parties with respect to all or any part of the subject matter hereof. All waivers of the provisions of this Agreement, unless specified otherwise herein, must be in writing and signed by the appropriate authorities of City or Developer, as applicable, and all amendments hereto must be in writing and signed by the appropriate authorities of City and Developer.

H. (§ 808) Severability.

In the event any term, covenant, condition, provision or agreement contained herein is held to be invalid, void or otherwise unenforceable, by any court of competent jurisdiction, such holding shall in no way affect the validity or enforceability of any term, covenant, condition, provision or agreement contained herein.

I. (§ 809) Time for Acceptance of Agreement by City.

This Agreement, when executed by Developer and delivered to City, must be authorized, executed and delivered by City, not later than the time set forth in the Schedule of Performance or this Agreement shall be void, except to the extent that Developer shall consent in writing to further extensions of time for the authorization, execution, and delivery of this Agreement. After execution by Developer, this Agreement shall be considered an irrevocable offer until such time as such offer shall become void due to the failure of City to authorize, execute and deliver the Agreement in accordance with this Section.

J. (§ 810) Execution.

1. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and such counterparts shall constitute one and the same instrument.

2. This Agreement may be executed electronically in compliance with UETA and E-SIGN using qualified third-party providers such as DocuSign and AdobeSign. However, the Note and any documents which must be recorded may not be executed electronically.

3. Developer represents and warrants that: (i) it is duly organized and existing under the laws of the State of California; (ii) by proper action of Developer, Developer has been duly authorized to execute and deliver this Agreement, acting by and through its duly authorized officers; and (iii) the entering into this Agreement by Developer does not violate any provision of any other agreement to which Developer is a party.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date specified below.

REMINDER

**Developer must initial both Sections 408(5) and 410(3)
City must initial Section 410(3)**

CITY:

CITY OF BELL, a California charter city


By: _____
Ali Saleh, Mayor

ATTEST:

Angela Bustamante, City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: _____
David Aleshire, City Attorney

DEVELOPER:

GENTEFY HOLDINGS, LLC, a California
limited liability company

By: GENTEFY, INC., a California corporation
Managing Member

By: _____
Barney Santos, Chief Executive Officer

By: _____
Evelyn Santos, Secretary

Attachment 1

SITE LEGAL DESCRIPTION

That certain real property in the City of Bell, County of Los Angeles, County of Los Angeles, legally described as follows:

ORIGINAL 4410 GAGE PARCEL (APN 6325-018-902 Portion):

LOTS 48 AND 49 OF TRACT NO. 4213, IN THE CITY OF BELL, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 44, PAGE 90 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY

EXCEPT THEREFROM THE NORTHERLY 50.00 FEET OF SAID LOT 48.

SITE PARCEL DEPICTION

6325	18 SHEET	P. A. 6325-18	TRA 516 518	REVISED 2006101005010001-26 2007031210-26	2009072110006001-26 2018101602018001-26 2024081202008001-26				SEALED
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2025



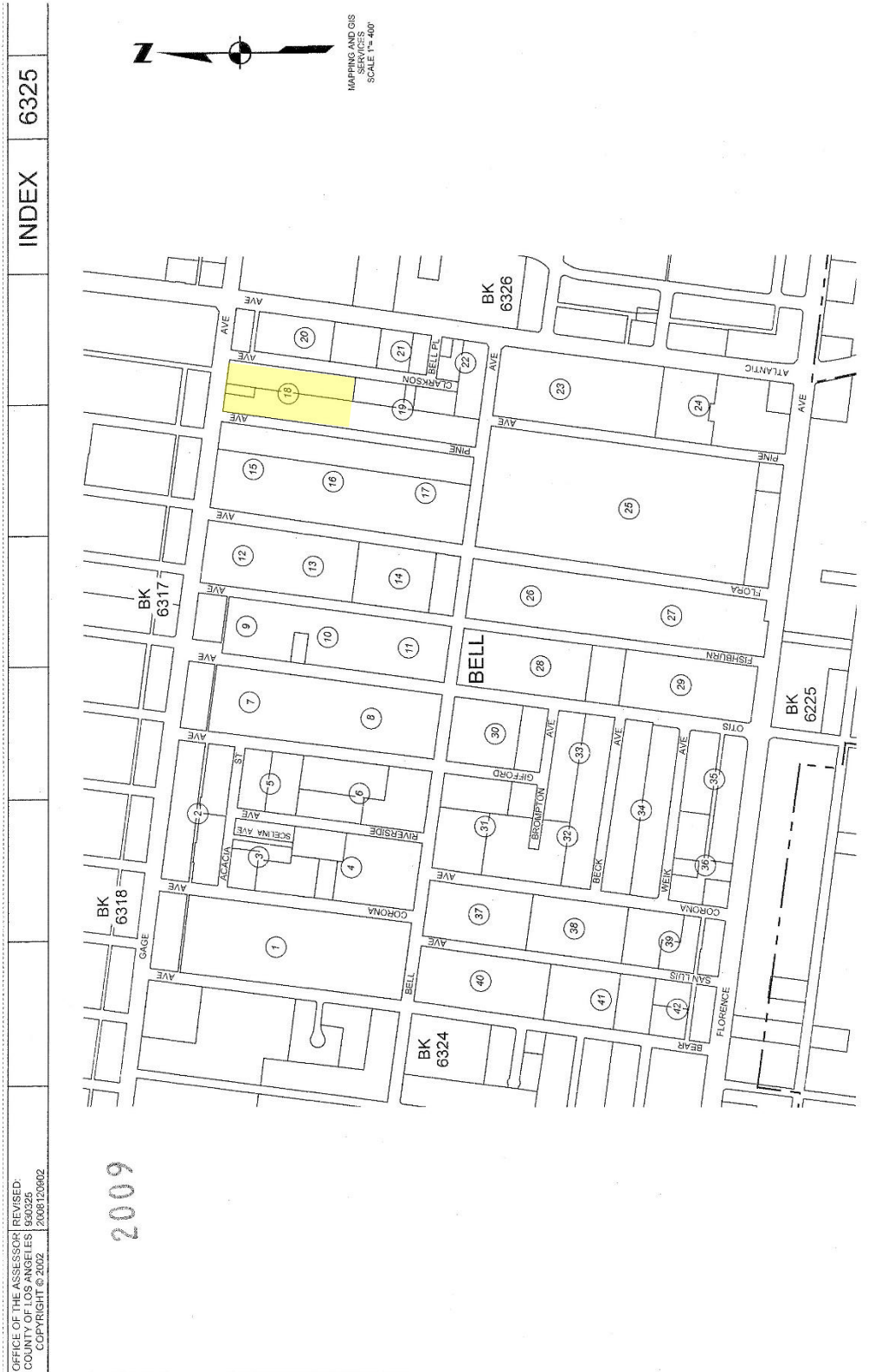
MAPPING AND GIS
SERVICES
SCALE 1" = 80'



Date Printed: 7/15/2024 11:14:53 AM
Date Saved: 7/15/2024 11:19:33 AM

Attachment 3

CITY PARCEL DEPICTION



Attachment 4

SCOPE OF DEVELOPMENT

General: Developer agrees that the Site shall be developed and improved in accordance with the provisions of this Agreement, and the plans, drawings, and related documents approved by the City. Developer shall submit for a Conditional Use Permit (CUP) and follow the conditions outlined in the CUP. Developer, its supervising architect, engineers, and contractors shall work with City staff to coordinate the overall design and improvements. Any questions or issues regarding the Scope of Development not included or addressed herein shall be resolved in accordance with the Bell Municipal Code.

Design Guidelines: The rehabilitation and construction of all building(s) for the use shall be consistent with the City's approved guidelines, incorporated herein by this reference and on file in the office of the City's Director of Community Development and with the design theme of the area.

Architectural Quality: Open and landscaped areas shall be designed to ensure a high standard.

Interim Use Description: The existing 2,800 square foot building on the 4410 Gage Parcel will be improved to accommodate a shared restaurant space to include space for one or two food/beverage vendors, constituting approximately 1,400 square feet; and renovation of the remaining 1,400 square feet in the back of the existing building to house.

Parking: Parking will be provided within an adjacent parking lot located on the 4410 Gage Parcel, which will provide 14 stalls, 9 of which will have Tesla charging stations. Additional parking located on the 4400 Gage Parcel shall be shared in common with the Site as set forth in the new covenants, conditions and restrictions (a reciprocal covenant agreement shall be recorded for the shared parking arrangement between 4410 Gage and 4400 Gage). The design and construction, as well as the number of parking spaces provided shall be in accordance with the Bell Municipal Code (as may be modified with the approval of a variance/CUP amendment or any other entitlement issued by the City, in its sole discretion). Construction of the parking areas shall include installation of necessary drainage system(s) (including connections within the public right-of-way), paving, installation of required landscaping and irrigation, striping and labeling, all in accordance with the Bell Municipal Code and the approved plans by the City (as may be modified with the approval of the new Entitlements or any other entitlements issued by the City, in its sole discretion). The City shall retain an easement for ingress and egress to the trash enclosure, utilities, and the maintenance of the Tesla Charging Station as defined in the DDA as the "City Parcel Easement".

Landscaping / Irrigation: The Project shall be fully landscaped. All on-site landscaping and automatic irrigation system shall be installed and maintained per approved plans consistent with the Bell Municipal Code and follow the conditions outlined in the CUP. Landscaped yards shall be maintained with landscaping and automatic irrigation. On-site lighting shall be installed in a manner consistent with the approved lighting and electrical plans.

Trash / Recycling: Trash storage areas shall be provided of sufficient size to ensure containment of all solid waste materials generated from the Project. The size of the enclosure shall be determined by City staff based upon the size and nature of the facility proposed but shall not be less than thirty (30) square feet. The trash enclosure shall be constructed of solid masonry walls and shall not be less than five (5) feet in height with solid metal panel gates equipped with self-closing devices. Adequate access shall be provided to the enclosure for refuse pickup.

Signage: All signs shall be installed by Developer. A sign program shall be submitted to the City for approval. Building and, where necessary, electrical permits shall be obtained prior to installation, painting or erection of signs. Signs shall be consistent with the plans approved by the Bell Planning Commission.

Undergrounding Utilities: Any new utilities servicing the Project shall be installed underground, including connections to facilities within the public right-of-way.

Mechanical Equipment: On-site mechanical equipment, whether roof or ground mounted, shall be completely screened from public view. Screening material shall be constructed of materials which coordinate with the overall architectural theme. Where public visibility will be minimal, the Director of Community Development may permit use of landscaping to screen ground mounted equipment. No mechanical equipment, including electrical transformers shall be located in any required setback area.

Applicable Codes: All improvements shall be constructed in accordance with the California Building Code (with any modifications allowed by the City (in its sole discretion)), the County of Los Angeles Fire Code (with any modifications required by the City of Bell), the Bell Municipal Code and current City standards.

Attachment 5

SCHEDULE OF PERFORMANCE

	<u>Item To Be Performed</u>	<u>Time For Performance</u>	<u>Agreement Reference</u>
1.	City holds public hearing on this Agreement, approves or disapproves same and, if approves, executes this Agreement	On or before March 17, 2026	
2.	Effective Date of DDA	Upon City Council Approval under Item 1 (" Effective Date ").	215
3.	Developer delivers Deposit to City	Five (5) days of Effective Date	213
4.	Open Escrow	No later than 5 days of Effective Date.	403
5.	Developer to have access to site for due diligence inspection and review of site condition.	Prior to Effective Date and ongoing until Closing.	401
6.	Developer delivers to City insurance certificates	Prior to entering Site (Item 5)	401
7.	A Preliminary Title Report is delivered to Developer	Within 3 days of Effective Date.	407
8.	Developer delivers to City written notice specifying in detail any exception to Title Report and/or survey disapproved by Developer and the reason therefor.	Within 5 business days of Event 7	407
9.	City shall deliver written notice to Developer as to whether City will or will not cure the disapproved exceptions.	Within 15 business days of Event 12.	407
10.	Developer conducts due diligence	Prior to expiration of Feasibility Period – 120 days from date City provides due diligence documents to Developer (" Feasibility Period ")	401
11.	Final approval of all Entitlements and Permits for all such approvals needed for Project development.	Entitlement and building permit process may continue during Escrow, but must be complete before Closing.	500
12.	Developer provides evidence to City of the construction loan with copies of the loan documents	Prior to expiration of Feasibility Period	515

	<u>Item To Be Performed</u>	<u>Time For Performance</u>	<u>Agreement Reference</u>
13.	Escrow Agent gives notice of fees, charges, and costs to close escrow	3 days prior to Closing	
14.	Deposits into Escrow by City:	On or before 1:00 p.m. on the business day preceding the Closing	406.3
	a) Executed Grant Deed		406.3
	b) Executed Covenant Agreement		406.3
	c) SLA Covenant Agreement		406.3
	d) City Parcel Easement		406.3
	e) Estoppel certificate confirming Developer's compliance		406.3
	f) Subordination Agreement		406.3
	g) Deposit funds as required for closing		406.3
	h) Taxpayer ID Certificate		406.3
	i) FIRPTA Certificate		406.3
15.	Deposits into escrow by Developer:	On or before 1:00 p.m. on the business day preceding the Closing Date	406.4
	a) Balance of Purchase Price		406.4
	b) Estoppel certificate confirming Developer's compliance		406.4
	c) Covenant Agreement		406.4
	d) SLA Covenant Agreement		406.4
	e) Note		406.4
	f) Trust Deed		406.4
	g) City Parcel Easement		406.4
	h) PCOR		406.4
	i) Payment of Developer's share of closing costs		406.4
	j) Taxpayer ID Certificate		406.4
16.	Deadline for Close of Escrow; recordation and delivery of documents; and time for conveyance of site	Within 5 days of all deposits of required to Escrow but no later than 30 days after expiration of Feasibility Period (" Closing ")	218; 406

	<u>Item To Be Performed</u>	<u>Time For Performance</u>	<u>Agreement Reference</u>
17.	Developer pulls necessary permits and commences construction of Project	Within 30 days following Closing	
18.	Developer completes construction of Project	Within 6 months after commencement of improvements (Event 17)	
19.	City issues Certificate of Completion	Within 10 days of written request by Developer, and Developer's satisfactory completion of all improvements of the Project as evidenced by the issuance of a certificate of occupancy or its equivalent from the City.	513

It is understood that the foregoing Schedule of Performance is subject to all of the terms and conditions set forth in the text of the Agreement. The summary of the items of performance in this Schedule of Performance is not intended to supersede or modify the more complete description in the text; in the event of any conflict or inconsistency between this Schedule of Performance and the text of the Agreement, the text shall govern.

The time periods set forth in this Schedule of Performance may be altered or amended only by written agreement signed by both Developer and City. A failure by either party to enforce a breach of any particular time provision shall not be construed as a waiver of any other time provision. The City Manager shall have the authority to approve extensions of time without City Council action not to exceed a cumulative total of 180 days or as provided in Section 1003.

Attachment 6

GRANT DEED

**RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO AND
MAIL TAX STATEMENTS TO:**

Gentefy Holdings LLC
622 West Hart Place
Montebello, California 90640
Attn: Barney Santos

APN 6325-018-023

Space above for Recorder's Use ONLY

THE UNDERSIGNED GRANTOR DECLARES that the
documentary transfer tax (computer on full value) is
\$662.20

GRANT DEED

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the CITY OF BELL, a California charter city ("**Grantor**") hereby grants to GENTEFY HOLDINGS LLC, a California limited liability company ("**Grantee**"), that certain real property in the City of Bell, County of Los Angeles, State of California, as more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference ("**Site**").

1. **Governing Restrictions.** The Site is conveyed subject to the following:
 - a) All easement, covenants, conditions, restrictions, rights and encumbrances of record.
 - b) That certain Disposition and Development Agreement dated _____, 2026 by and between Grantor and Grantee ("**DDA**") which is a public record on file with the Secretary of the Grantor located at 6330 Pine Ave., Bell, California 90201, California, and is hereby incorporated by reference.
 - c) That certain Declaration of Covenant of even date herewith made by Grantee as "Owner" in favor of Grantor and California Department of Housing and Community Development, which was recorded immediately following this Deed ("**SLA Covenant**").
 - d) That certain Covenant Agreement of even date herewith made by Grantee as "Developer" in favor of Grantor which was recorded immediately following the SLA Covenant.

2. **Non-Discrimination.** Grantee covenants that there shall be no discrimination against, or segregation of, any persons, or group of persons, on account of race, color, creed, religion, sex, marital status, age, ancestry, or national origin in the rental, sale, lease, sublease, transfer, use, occupancy, or enjoyment of the Site, or any portion thereof, nor shall Grantee, or any person claiming under or through Grantee, 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 of the Site or any portion thereof. The

nondiscrimination and non-segregation covenants contained herein shall remain in effect in perpetuity.

3. Form of Nondiscrimination Clauses in Agreements. Grantee shall refrain from restricting the rental, sale, or lease of any portion of the Site on the basis of race, color, creed, religion, sex, marital status, age, ancestry, or national origin of any person. All such deeds, leases, or contracts shall contain or be subject to substantially the following nondiscrimination or non-segregation clauses:

(a) **Deeds:** In deeds the following language shall appear: "The grantee herein covenants by and for itself, its heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, age, ancestry, or national origin in the sale, lease, rental, sublease, transfer, use, occupancy, tenure, or enjoyment of the land herein conveyed, nor shall the grantee itself, or any persons 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."

(b) **Leases:** In leases the following language shall appear: "The lessee herein covenants by and for itself, its heirs, executors, administrators, successors, and assigns, and all persons claiming under or through them, and this lease is made and accepted upon and subject to the following conditions:

"That there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, age, ancestry, or national origin in the leasing, subleasing, renting, transferring, use, occupancy, tenure, or enjoyment of the land herein leased nor shall the lessee 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, sublessees, subtenants, or vendees in the land herein leased."

(c) **Contracts:** In contracts pertaining to conveyance of the realty the following language shall appear: "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, ancestry, or national origin in the sale, lease, rental, sublease, transfer, use, occupancy, tenure, or enjoyment of the land, nor shall the transferee 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 of the land."

The foregoing covenants shall remain in effect in perpetuity.

4. Mortgage Protection. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Deed shall defeat or render invalid or in any way impair the lien or charge of any mortgage, deed of trust or other financing or security instrument permitted by and approved by Grantor pursuant to the DDA; provided, however, that any successor of Grantee to the Site shall be bound by such remaining covenants, conditions, restrictions, limitations and provisions, whether such successor's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale or otherwise.

5. Covenants to Run With the Land. The covenants contained in this Deed shall be construed as covenants running with the land and not as conditions which might result in forfeiture

Attachment 7

COVENANT AGREEMENT

Recording requested by and
When Recorded Return to:

City of Bell
6330 Pine Ave.
Bell, California 90201
Attn: City Manager

APN. _____

(Space Above This Line for Recorder's Office Use
Only)

(Exempt from Recording Fee per Gov. Code §6103)

COVENANT AGREEMENT

THIS COVENANT AGREEMENT ("**Agreement**") is entered into as of the _____, 2026 by GENTEFY HOLDINGS LLC, a California Limited Liability Company ("**Developer**") in favor of the CITY OF BELL, a California charter city ("**City**").

RECITALS

A. Developer owns that certain real property in the City of Bell, County of Los Angeles, State of California, as more particularly described in Exhibit A attached hereto and incorporated by this reference ("**Property**"). Developer acquired the Property from the City pursuant to that certain Disposition and Development Agreement dated _____, 2026 ("**DDA**").

B. Concurrently with the acquisition of the Property and pursuant to the DDA, Developer executed the following documents:

- i. Grant Deed of even date herewith recorded whereby City as grantor conveyed the Property to Developer as grantee ("**Grant Deed**").
- ii. Purchase Money Note Secured by Deed of Trust of even date herewith in the amount of \$602,000 executed by Developer as maker in favor of City as holder ("**Note**").
- iii. "Purchase Money Deed of Trust with Assignment of Rents and Rider Attached Hereto Containing Terms Including Security Agreement and Fixture Filing" of even date herewith made by and among Maker as trustor, Holder as beneficiary, and Fidelity National Title Insurance Company as trustee, and recorded concurrently with the Grant Deed in the Office of the Los Angeles County Recorder ("**Official Records**") against the Site ("**Deed of Trust**") which secured the Note.
- iv. Covenant Agreement dated _____, 2026 by Developer in favor of City recorded concurrently with the Deed of Trust in the Official Records ("**Covenant Agreement**").

The DDA and the foregoing documents listed in subparagraphs (i), (ii), (iii) and (iv) above are collectively referred to herein as the "**Developer Agreements**" and individually as a "**Developer Agreement**." The Developer Agreements are incorporated herein as though fully set forth. Developer's obligations under the Developer Agreements (except the Note) are not secured by the Deed of Trust.

C. As material consideration to the City for the sale of the Property to Developer pursuant to the DDA, Developer agreed to develop and operate the Property as set forth below with the covenants herein below which shall run with the land and bind the Property and all successors in interest.

NOW, THEREFORE, the obligations of Developer under this Agreement shall both run with a burden the Property as covenants, equitable servitudes, restrictions and easements in favor of the City and to the City in gross.

AGREEMENT

1. **Recitals.** The recitals set forth above are incorporated into this Agreement.
2. **Defined Terms.** Except as otherwise specifically provided in this Agreement, defined terms employed in this Agreement shall have the same meaning as set forth in the DDA.
3. **Effective Date.** This Agreement shall be effective immediately as of recordation in the Official Records of Los Angeles County, California ("**Effective Date**").
4. **Operating Term.** This Agreement shall continue for a period of fifteen (15) years from the Effective Date ("**Operating Term**").

5. **Covenants.**

4.1 **Covenant to Construct the Project.** As of the Effective Date, Developer covenants to promptly commence and diligently process all applicable governmental approvals to implement the Project (as defined in the DDA) on the Property together with components and requirements imposed through the planning process. Developer shall commence and diligently prosecute to completion the construction of the Project consistent with the governmental approvals and the Schedule of Performance as set forth in the DDA.

4.2 **Use Restriction.** The Property shall only be used as a food hall featuring a bar and 4-6 additional retail & hospitality storefronts, with the full Project hosting seating for 100-150 patrons. fully functioning food hall with business operations of restaurants, bar-related purposes including retail ("**Use Restriction**"). No other use is permitted without the prior written consent of City.

4.3 **Continuing Operation Covenant.** Commencing as of the completion of the Project as required by the DDA ("**Operations Commencement Date**"), Developer shall thereafter continually operate the Project at the Site in compliance with the Use Restriction.

4.4 **Job Creation Covenant.**

(a) **FTE Jobs.** Commencing with the Operations Commencement Date, Developer maintain a minimum of fifteen (15) full-time equivalent jobs ("**FTE Job**") at the Property. Such jobs shall be comprised of a mix of positions, including, but not limited to, kitchen staff, servers, managerial personnel, property management, maintenance workers and other individuals or independent contractors providing recurring services integral to the ongoing operations of the Property (such as entertainers, musicians, event staff, or tradespersons). Developer shall ensure that such positions remain filled on a continuous basis during the Operating Term. In the event of economic downturns, unforeseen market conditions, or force majeure events, the City and Developer shall have the right to renegotiate job creation targets in good faith.

For the purposes of this Agreement, a FTE Job is defined as one or more employees whose total hours worked per week equate to at least thirty (30) hours. An FTE Job may be comprised of multiple part-time employees whose combined weekly hours equal one full-time position. The total number of FTE Jobs shall be calculated by dividing the aggregate number of hours worked by all employees at the Property within a given twelve

(12) month reporting period by One Thousand Five Hundred Sixty (1,560) total work hours (which represents thirty (30) hours per week multiplied by fifty-two (52) weeks in a year).

(b) Local Hiring Preference. Developer shall make a good-faith effort to hire at least thirty percent (30%) of its employees from within the City of Bell or surrounding communities. Evidence of compliance shall be provided in accordance with Section 4.4(c) of this Agreement.

(c) Annual Compliance Reporting. Commencing on the first anniversary of the Operating Commencement Date and on each anniversary thereafter, Developer shall provide to City within sixty (60) days, a written summary detailing compliance with the job creation and local hiring requirements in this Section 4.4. The report shall include, but not be limited to: (a) The total number of FTE Jobs created during that year; (b) The total number of FTE Jobs maintained during the year; (c) Documentation from each tenant's payroll company showing how many total hours worked by all employees and independent contractors providing ongoing services at the Property; and (d) Documentation of efforts to recruit and hire employees from within the City of Bell and surrounding communities.

4.5 Workforce Training. Developer agrees to provide onsite workforce training incubator related to the food and culinary industry to promote the development of future workforce related to said field. Such training incubator may include education, hands-on-experience, and job placement support. Programs developed may include culinary arts training, food safety certifications, and restaurant management.

5. **Obligations Run with the Land.** This Agreement shall constitute covenants, equitable servitudes, restrictions and easements appurtenant to the Property and also to the City in gross without regard to technical classification and designation, to run with the land and shall be binding on the owner of the Property and all successors.
6. **Term.** This Agreement shall terminate fifteen (15) years from the Effective Date.
7. **Cross Default.** Any default by Developer under the Developer Agreements, shall be a default under this Agreement including, any transfer of the Property in violation of the DDA and the Deed of Trust.
8. **Termination.** If Developer reasonably believes that the Covenants in this Agreement have been satisfied, Developer may send a written notice requesting City to confirm such compliance by execution of an appropriate document terminating this Agreement which shall be concurrently submitted with the notice and which document, upon execution by Developer and City shall be recorded in the Official Records of Los Angeles County. City shall review and promptly execute, acknowledge and return the document to Developer or otherwise specify in reasonable detail in writing what remains to be completed.
9. **Indemnification.** Developer agrees, at its sole cost and expense, to defend, indemnify and hold harmless the City (and their respective officers, employees, agents and consultants) from any claim, action or proceeding brought by a third party with respect to all aspects of the Project including, but not limited to, approvals or permits issued by the City and the Use Restriction. The City agrees to promptly notify Developer of any such claim filed against the City to fully cooperate in the defense of any such action at no cost or expense to the City. City may elect to participate in the defense of any such claim.
10. **Remedies.** If Developer breaches this Agreement, City shall have all remedies at law or in equity.
11. **Notice.** All notices shall be in writing and delivered personally, by overnight air courier service, by facsimile transmission or email, or by U.S. certified or registered mail, return receipt requested, postage prepaid, to the parties at their respective addresses set forth below, and the same shall

be effective upon receipt if delivered personally, one (1) business day after depositing with an overnight air courier, or two (2) business days after depositing in the mail immediately, upon transmission (as confirmed by electronic confirmation of transmission generated by the sender's machine) for any notice given by facsimile or email:

To City: City of Bell
6330 Pine Ave.
Bell, California 90201
Attention: City Manager

With a Copy to: Aleshire & Wynder, LLP
1 Park Plaza, Suite 1000
Irvine, CA 92614
Attention: David Aleshire,
City Attorney

To Developer: Gentefy Holdings, Inc.
622 West Hart Place
Montebello, CA 90640
Attn. Barney Santos

11. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns.

12. Governing Law & Jurisdiction. This Agreement and the legal relations between the parties hereto shall be governed by and be construed in accordance with the laws of the State of California. The parties agree to the jurisdiction of the California Superior Court in Los Angeles County.

13. Interpretation. If an ambiguity or question of intent or interpretation arises, then the terms of this Agreement, including but not limited to, the covenants, shall be construed as if drafted jointly by the parties, and no presumption or burden of proof will arise favoring or disfavoring any party to this Agreement, including but not limited to, the covenants, by virtue of the authorship of any of the provisions of this Agreement. Titles and captions are for convenience only and shall not constitute a portion of this Agreement. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates.

14. Attorney's Fees. In the event that any action or proceeding is brought to enforce or interpret any provision, covenant or condition contained in this Agreement, the prevailing party in such action or proceeding (whether after trial or appeal) shall be entitled to recover its expenses therein, including reasonable attorneys' fees and costs from the other party.

15. Severability. If any provision of this Agreement or portion thereof, or the application to any person or circumstances, shall to any extent be held invalid, inoperative or unenforceable, the remainder of the covenants contained in this Agreement, or the application of such provision or portion thereof to any other persons or circumstances, shall not be affected thereby.

16. No Waiver. No delay or omission by City in exercising any right or power under this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by City of a breach of any of the covenants, agreements, restrictions, obligations or conditions of this Agreement to be performed by Developer shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions, obligations or conditions under this Agreement. In order to be effective, any waiver must be in writing executed by City.

17. Partial Invalidity. If any term, provision, condition or covenant of this Agreement or the application thereof to any party or circumstance shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement, or the application of such 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 thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

18. Modification or Amendment. Any alteration, change, modification or amendment of this Agreement must be made by written instrument executed by both parties and recorded in the Official Records.

19. Qualification; Authority. Each individual executing this Agreement on behalf of Developer represents, warrants and covenants to City that (a) such entity is duly formed and authorized to do business in the State, (b) such person is duly authorized to execute and deliver this Agreement on behalf of such entity in accordance with authority granted under the organizational documents of such entity, and (c) such entity is bound under the terms of this Agreement.

20. Execution in Counterpart. This Agreement and any modification, amendment or supplement to this Agreement may be executed in several counterparts, and as so executed, shall constitute one agreement binding on the parties.

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

CITY:

CITY OF BELL, a California charter city

By: _____
Ali Saleh, Mayor

ATTEST:

Angela Bustamante, City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: _____
David Aleshire, City Attorney

DEVELOPER:

GENTEFY HOLDINGS, LLC, a California
limited liability company

By: GENTEFY, INC., a California corporation
Managing Member

By: _____
Barney Santos, Chief Executive Officer

By: _____
Evelyn Santos, Secretary

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

That certain real property located in the City of Bell, County of Los Angeles, State of California, and is described as follows:

(To be completed prior to execution)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, 2026 before me, _____, a notary public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

SEAL:

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, 202__ before me, _____, a notary public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

SEAL:

Attachment 8

NOTE

PURCHASE MONEY NOTE SECURED BY DEED OF TRUST

\$ 602,000 (“**Principal**”)

_____, 2026 (“**Note Date**”)

FOR VALUE RECEIVED, GENTEFY HOLDINGS LLC, a California limited liability company (“**Maker**”) hereby promises to pay to the order of the CITY OF BELL, a California charter city (“**Holder**”) at a place designated by Holder, the principal sum of SIX-HUNDRED, TWO THOUSAND DOLLARS EVEN (\$602,000.00) (“**Principal**”), plus accrued interest (as specified below), or such lesser amount which shall from time to time be owing hereunder pursuant to the terms hereof.

Pursuant to the DDA (as defined below), Maker acquired the “**Site**” (as defined in the DDA below) from Holder by the Grant Deed (as defined below). This Note represents the purchase price for the Site.

Reference is made to the following additional agreements and documents involving Maker and Holder and/or pertaining to all or a portion of the Site:

- i. Grant Deed of even date herewith recorded whereby the Holder as grantor conveyed the Site to Maker as grantee (“**Grant Deed**”).
- ii. “Purchase Money Deed of Trust with Assignment of Rents and Rider Attached Hereto Containing Terms Including Security Agreement and Fixture Filing” of even date herewith made by and among Maker as trustor, Holder as beneficiary, and Fidelity National Title Insurance Company as trustee, and recorded concurrently with the Grant Deed in the Office of the Los Angeles County Recorder (“**Official Records**”) against the Site (“**Deed of Trust**”). This Note is secured by the Deed of Trust.
- iii. The Disposition and Development Agreement dated _____, 2026 by and between City and Maker (as Developer) for the sale of the Site to and development by Make as Developer (“**DDA**”).
- iv. Covenant Agreement dated _____, 2026 by and between Maker (as Owner/Declarant) and City for the benefit of City and recorded concurrently with the Deed of Trust in the Official Records (“**Covenant Agreement**”).

The foregoing documents listed in subparagraphs (i), (iii) and (iv) above are collectively referred to herein as the “**Developer Agreements**” and individually as a “**Developer Agreement**.” The Developer Agreements are incorporated herein as though fully set forth. Maker’s obligations under the Developer Agreements are not secured by the Deed of Trust.

1. **Defined Terms.** Except as otherwise provided herein, the defined terms used in this Note shall have the same meaning as set forth in the DDA.
2. **Effective Date.** This Note shall be effective as of the date that the Deed of Trust is recorded in the Official Records against the Site (“**Effective Date**”).
3. **Principal Amount.** The principal amount of this Note is SIX-HUNDRED TWO THOUSAND DOLLARS (\$602,000.00) (“**Principal**”).
4. **Interest.** Commencing as of the Effective Date, interest shall accrue on the Principal at a rate of Five Percent (5%) per annum (“**Note Interest Rate**”) until paid in full. Upon the occurrence of a default (as defined below), the interest rate shall thereafter increase to ten

percent (10%) per annum ("**Default Interest Rate**").

5. **Term of Note.** If not sooner paid, the outstanding principal balance, together with all accrued interest and any unpaid sums, shall become fully due and payable in full on the fifteenth (15th) anniversary from the Effective Date ("**Due Date**").
6. **Payments.**
 - a. **No Payments for First Year.** Commencing as of the Effective Date and for a period of twelve (12) months thereafter, interest shall accrue and be added to the Principal and no monthly payments shall be due under this Note.
 - b. **Interest Only Monthly Payments.** Commencing one (1) year from the Effective Date and on the same day of each month thereafter for a period of twelve (12) months, Maker shall make monthly payments to Holder equal to interest only.
 - c. **Amortized Monthly Payments.** Commencing two (2) years from the Effective Date and on the same day of each month thereafter, Maker shall pay the sum equal to the principal amortized over thirty (30) years at the Note Interest Rate. Upon a Default, the monthly payments shall be recalculated at the Default Interest Rate.
 - d. **Payment Requirements.** Each payment by Maker hereunder shall be made to Holder at 6330 Pine Ave. Bell, California 90201 Attention Finance Director or at such other place as Maker may designate from time to time in writing not later than ten (10) days before a monthly installment payment is due. Whenever any payment hereunder shall be stated to be due on a day which is not a business day, such payment shall be made on the first business day preceding such scheduled due date.
 - e. **Payment Priority.** Prior to the occurrence of a Default, all monthly payments made as scheduled on this Note shall be applied first to the payment of interest and the balance to the Principal. All prepayments on this Note shall be applied, to the extent thereof, to unpaid interest on the amount prepaid, to the outstanding principal amount, and any other sums due and unpaid to the Holder in connection with the Loan, in such manner as the Holder may elect in its sole and absolute discretion. Following the occurrence of a Default, any payment made on this Note shall be applied to accrued but unpaid interest, late charges, accrued fees, the unpaid principal amount of this Note, and any other sums due and unpaid to the Holder of the Loan, in such manner and order as Holder may elect in its sole and absolute discretion.
 - f. **Late Charge.** If Maker shall fail to make any payment within ten (10) days after the date the payment is due and payable, a late charge by way of damages shall also be immediately due and payable. Maker recognizes that default by Maker in making the payments herein agreed to be paid when due will result in the City incurring additional expense in servicing the loan, in loss to the City of the use of the money due and in frustration to the City in meeting its other financial commitments. Maker agrees that, if for any reason Maker fails to pay the amounts due under this Note when due, the City hereof shall be entitled to damages for the detriment caused thereby, but that it is extremely difficult and impractical to ascertain the extent of such damages. Maker therefore agrees that a sum equal to five percent (5%) of each payment which becomes delinquent ("**Late Charge**") is a reasonable estimate of said damages to the City of this Note, which sum Maker agrees to pay on demand. Prior to collecting any late charge hereunder, City shall comply with the provisions of California Civil Code Section 2954.5, as such section or any successor section may now or hereafter be in effect.

- g. **Interest Credits.** Maker shall be entitled to a credit against interest payments due under this Note as set forth below which credits result from job creation at the Site pursuant Section 4.3 of the Covenant Agreement ("**Job Creation Compliance**").

Provided Maker is not in default under this Note, Maker shall be entitled to credits to be applied against interest in **proportional** to Job Creation Compliance as follows ("**Interest Credits**"):

- If Developer achieves **at least 60% of job targets**, then **60% of the interest shall be forgiven** for that applicable year.
- If Developer achieves **80% of the required job targets**, **80% of the interest shall be forgiven** for that applicable year.
- If the Developer achieves **90% of the required job targets**, **90% of the interest shall be forgiven** for that applicable year.
- Full forgiveness shall apply only when the Developer meets all obligations in full.

Any Interest Credits may be applied by Maker to the interest payments coming due for the following year.

- h. **Prepayment.** This Note may be prepaid in whole or in part at any time without penalty.

7. **Subordination of Deed of Trust.** The Deed of Trust may be subordinated to a construction loan and a permanent loan pursuant to the terms of the DDA.
8. **Cross-Default.** An uncured default by Maker under the terms and conditions of any of the Developer Agreements shall be a default under this Note.
9. **Right to Accelerate.** If Maker ceases to operate the Property in accordance with the DDA and Covenant Agreement or if the Covenant Agreement is declared invalid or unenforceable in any way including by a court of competent jurisdiction, Holder shall have the option, in its sole discretion, to immediately declare this Note and the entire obligations hereby evidenced immediately due and payable and collectible then or thereafter as Holder may elect, regardless of the date of maturity, and notice of the exercise of said option is hereby expressly waived by Maker.
10. **Default.** In the event Maker is in default under this Note, Holder may, at its option, declare this Note and the entire obligations hereby evidenced immediately due and payable and collectible then or thereafter as Holder may elect, regardless of the date of maturity, and notice of the exercise of said option is hereby expressly waived by Maker.
11. **Acceleration on Transfer or Encumbrance of Property.** The Deed of Trust contains the following provision: "If Trustor sells, contracts to sell, gives an option to purchase, conveys, transfers, leases with an option to purchase, encumbers, or alienates the Property, or any interest in it, or suffers its title to, or any interest in, the Property to be divested, whether voluntarily or involuntarily; or if there is a sale or transfer of beneficial interests in Trustor equal to fifty percent (50%) or more of the beneficial ownership interests of that entity (on a cumulative basis) outstanding at the date of this Deed of Trust; or if Trustor changes or permits to be changed the character or use of the Property; or if title to such Property becomes subject to any lien or charge, voluntary or involuntary, contractual or statutory, without Beneficiary's prior written consent, then Beneficiary, at Beneficiary's option, may, without prior notice, declare all sums secured by this Deed of Trust, regardless of their stated

due date(s), immediately due and payable and may exercise all rights and remedies in this Deed of Trust.”

12. **Collection Costs; Attorneys’ Fees.** If, because of a default under this Note, an attorney is engaged by Holder to enforce or defend any provision of this Note, whether or not suit is filed hereon, then Maker shall pay upon demand reasonable attorneys’ fees, expert witness fees and all costs so incurred by Holder together with interest thereon until paid at the applicable rate of interest payable hereunder, as if such fees and costs had been added to the principal owing hereunder.
13. **Waivers by Maker.** Maker and all endorsers, guarantors and persons liable or to become liable on this Note waive presentment, protest and demand, notice of protest, demand and dishonor and nonpayment of this Note.
14. **Severability.** The unenforceability or invalidity of any provision or provisions of this Note as to any persons or circumstances shall not render that provision or those provisions unenforceable or invalid as to any other provisions or circumstances, and all provisions hereof, in all other respects, shall remain valid and enforceable.
15. **Modifications.** Neither this Note nor any term hereof may be waived, amended, discharged, modified, changed or terminated orally; nor shall any waiver of any provision hereof be effective except by an instrument in writing signed by Maker and Holder.
16. **No Waiver by Holder.** No waiver of any breach, default or failure of condition under the terms of this Note shall be implied from any failure of the Holder of this Note to take, or any delay be implied from any failure by the Holder in taking action with respect to such breach, default or failure from any prior waiver of any similar or unrelated breach, default or failure.
17. **Usury.** Notwithstanding any provision in this Note, the total liability for payment in the nature of interest shall not exceed the limit imposed by applicable laws of the State of California.
18. **Governing Law.** This Note has been executed and delivered by Maker in the State of California and is to be governed and construed in accordance with the laws thereof.
19. **Time of Essence.** Time is of the essence in the performance of the obligations and provisions set forth in this Note.
20. **Notices.** All notices, demands, requests, elections, approvals, disapprovals, consents or other communications given under this Note shall be in writing and shall be given by personal delivery, certified mail, return receipt requested, or overnight guaranteed delivery service and addressed as follows:

To Holder:

City of Bell
6330 Pine Ave.
Bell, California 90201
Attn: City Manager

With a Copy to:

Aleshire & Wynder, LLP
1 Park Plaza, Suite 1000
Irvine, CA 92614
Attention: City Attorney

To Maker:

Gentefy Holdings, Inc.
622 West Hart Place
Montebello, CA 90640
Attn: Barney Santos

Notices shall be effective upon the earlier of receipt or refusal of delivery. Each party shall promptly notify the other party of any change(s) of address to which notice shall be sent pursuant to this Note.

IN WITNESS WHEREOF, Maker has executed this Note as of the Note Date.

MAKER:

GENTEFY HOLDINGS LLC, a California
limited liability company

By: GENTEFY, INC, a California corporation
Managing Member

By: _____

NOT TO BE EXECUTED
UNTIL CLOSING

Barney Santos,
Chief Executive Officer

By: _____

Evelyn Santos,
Secretary

Attachment 9

CITY DEED OF TRUST

Order No.
Escrow No.
Loan No.

**RECORDING REQUESTED BY & WHEN
RECORDED MAIL TO:**

City of Bell
6330 Pine Ave.
Bell, California 90201
Attn: City Manager

APN 6325-018-023

(Space above This Line for Recorder's Office Use Only)
(Exempt from Recording Fee per Gov. Code § 6103)

**PURCHASE MONEY DEED OF TRUST WITH ASSIGNMENT OF RENTS AND RIDER
ATTACHED HERETO CONTAINING SECURITY AGREEMENT AND FIXTURE FILING**

NOTE: RIDER ATTACHED TO THIS DEED OF TRUST ("**RIDER**") CONTAINS ADDITIONAL
TERMS INCLUDING SECURITY AGREEMENT AND FIXTURE FILING.

**This PURCHASE MONEY DEED OF TRUST WITH ASSIGNMENT OF RENTS AND RIDER
ATTACHED HERETO CONTAINING SECURITY AGREEMENT AND FIXTURE FILING ("Deed of
Trust")**, is made _____, 202__, between GENTEFY HOLDINGS LLC, a California limited
liability company ("**TRUSTOR**"), whose address is 622 West Hart Place, Montebello, CA 90640 in
favor of the CITY OF BELL, a California charter city ("**BENEFICIARY**"), and FIDELITY NATIONAL
TITLE INSURANCE COMPANY, a corporation ("**TRUSTEE**").

WITNESSETH: That Trustor grants to Trustee in trust, with power of sale, Trustor's estate in
that real property in the City of Bell, County of Los Angeles, State of California, described as set forth
on EXHIBIT "A" attached hereto ("**Property**") together with the rents, issues and profits thereof,
subject, however, to the right, power and authority hereinafter given to and conferred upon
Beneficiary to collect and apply such rents, issues and profits for the purpose of securing (1) payment
of the sum of Six Hundred Two Thousand Dollars (\$602,000), with interest thereon according to the
terms of that certain Purchase Money Note Secured by Deed of Trust of even date herewith made
by Trustor, payable to order of Beneficiary, and extensions or renewals thereof; (2) the performance
of each agreement of Trustor incorporated by reference or contained herein; (3) payment of
additional sums and interest thereon which may hereafter be loaned to Trustor, or its successors or
assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed
of Trust; and (4) all additional obligations specified in the Rider.

To protect the security of this Deed of Trust, and with respect to the Property above
described, Trustor expressly makes each and all of the agreements, and adopts and agrees to
perform and be bound by each and all of the terms and provisions set forth in subdivision A, and it
is mutually agreed that each and all of the terms and provisions set forth in subdivision B of the
fictitious deed of trust recorded in Orange County August 17, 1964, and in all other counties August

18, 1964, in the book and at the page of Official Records in the office of the county recorder of the county where said property is located, noted below opposite the name of such county, namely:

COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE
Alameda	1288	556	Kings	858	713	Placer	1028	379	Sierra	38	187
Alpine	3	130-31	Lake	437	110	Plumas	166	1307	Siskiyou	506	762
Amador	133	438	Lassen	192	367	Riverside	3778	347	Solano	1287	621
Butte	1330	513	Los Angeles	T-3878	874	Sacramento	5039	124	Sonoma	2067	427
Calaveras	185	338	Madera	911	136	San Benito	300	405	Stanislaus	1970	56
Colusa	323	391	Marin	1849	122	San Bernardino	6213	768	Sutter	655	585
Contra Costa	4684	1	Mariposa	90	453	San Francisco	A-804	596	Tehama	457	183
Del Norte	101	549	Mendocino	667	99	San Joaquin	2855	283	Trinity	108	595
El Dorado	704	635	Merced	1660	753	San Luis	1311	137	Tulare	2530	108
Fresno	5052	623	Modoc	191	93	Obispo			Tuolumne	177	160
Glenn	469	76	Mono	69	302	San Mateo	4778	175	Ventura	2607	237
Humboldt	801	83	Monterey	357	239	Santa Barbara	2065	881	Yolo	769	16
Imperial	1189	701	Napa	704	742	Santa Clara	6626	664	Yuba	398	693
Inyo	165	672	Nevada	363	94	Santa Cruz	1638	607			
Kern	3756	690	Orange	7182	18	Shasta	800	633			
						San Diego	SERIES 5 Book 1964, Page 149774				

shall inure to and bind the parties hereto, with respect to the property above described. Said agreements, terms and provisions contained in said subdivisions A and B (identical in all counties, and printed on pages 3 and 4 hereof) are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefor does not exceed the maximum allowed by law.

The undersigned Trustor, requests that a copy of any notice of default and any notice of sale hereunder be mailed to him at his address hereinbefore set forth.

TRUSTOR:

GENTIFY HOLDINGS, LLC, a California limited liability company

By: GENTIFY, INC., a California corporation
Managing Member

By: NOT TO BE EXECUTED
UNTIL CLOSING
Barney Santos, Chief Executive Officer

By: _____
Evelyn Santos, Secretary

DO NOT RECORD

The following is a copy of Subdivisions A and B of the fictitious Deed of Trust recorded in each county in California as stated in the foregoing Deed of Trust and incorporated by reference in said Deed of Trust as being a part thereof as if set forth at length therein.

A. To protect the security of this Deed of Trust, Trustor agrees:

1) To keep said property in good condition and repair, not to remove or demolish any building thereon; to complete or restore promptly and in a good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor, to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at the option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

4) To pay: at least ten (10) days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from the date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

B. It is mutually agreed:

1) That any award in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

2) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

3) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon, or join in any extension agreement or any agreement subordinating the lien or charge hereof.

4) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in the performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or be a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collecting of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

6) That upon default by Trustor in payment of any indebtedness secured hereby or in the performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

7) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

8) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledges, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

9) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

DO NOT RECORD

REQUEST FOR FULL RECONVEYANCE

TO _____, TRUSTEE

The undersigned is the legal owner and holder of the note or notes and of all indebtedness secured by the foregoing Deed of Trust. Said note or notes, together with all other indebtedness secured by said Deed of Trust, have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note or notes above mentioned, an all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you under the same.

Dated _____

Please mail Deed of Trust, Note and Reconveyance to _____

Do Not lose or destroy this Deed of Trust OR THE NOTE which it secures. Both must be delivered to the Trustee for cancellation before reconveyance will be made.

RIDER TO DEED OF TRUST WITH ASSIGNMENT OF RENTS

THIS RIDER TO DEED OF TRUST WITH ASSIGNMENT OF RENTS ("Rider") is executed this _____ day of _____, 202__, by GENTIFY HOLDINGS LLC, a California limited liability company ("**Trustor**") in favor of the CITY OF BELL, a California charter city ("**Beneficiary**"), the same parties to that certain Purchase Money Deed of Trust With Assignment of Rents and Rider Attached Hereto Containing Terms Including Security Agreement and Fixture Filing of even date herewith to which this Rider is attached. This Rider is made a part of and is incorporated into said Deed of Trust. This Rider shall supersede any conflicting term or provision of the form Deed of Trust to which it is attached.

Reference is made to the following agreements and documents:

(i) Purchase Money Note Secured by Deed of Trust in the amount of Six Hundred Two Thousand Dollars (\$602,000) made by Trustor as "Maker" in favor of Beneficiary as "Holder" of even date herewith, the repayment of which by Trustor is secured by this Deed of Trust ("**Note**");

(ii) Disposition and Development Agreement dated _____, 2026, by and between Beneficiary as "City" and Trustor as "Developer" providing for Trustor's acquisition and development of the Property (also referred to therein as the Site) ("**DDA**"); and

(iii) Covenant Agreement by and between Trustor as "Owner" and Beneficiary as "City," providing for the use, operation, and maintenance of the Property which has been recorded concurrently with this Deed of Trust ("**Covenant Agreement**").

The parties hereto agree:

1. Property. The estate subject to this Deed of Trust is Trustor's fee estate in the real property legally described in the Deed of Trust ("**Property**"). In addition, Trustor grants to beneficiary a security interest in all of Trustor's rights, title, and interest in and to the following:

(a) All present and future inventory and equipment, as those terms are defined in the California Commercial Code, and all other present and future personal property of any kind or nature whatsoever, now or hereafter located at, upon or about the Property or used or to be used in connection with or relating or arising with respect to the Property and/or the use thereof or any improvements thereto, including without limitation all present and future furniture, furnishings, fixtures, goods, tools, machinery, plumbing and plumbing material and supplies, concrete, lumber, hardware, electrical wiring and electrical material and supplies, heating and air conditioning material and supplies, roofing material and supplies, window material and supplies, doors, paint, drywall, insulation, cabinets, ceramic material and supplies, flooring, carpeting, appliances, fencing, landscaping and all other materials, supplies and property of every kind and nature.

(b) All present and future accounts, general intangibles, chattel paper, contract rights, deposit accounts, instruments and documents as those terms are defined in the California Commercial Code, now or hereafter relating or arising with respect to the Property and/or the use thereof or any improvements thereto, including without limitation: (i) all rights to the payment of money, including escrow proceeds arising out of the sale or other disposition of all or any portion of the Property; (ii) all architectural, engineering, design and other plans, specifications and drawings relating to the development of the Property and/or any construction thereon; (iii) all use permits, occupancy permits, construction and building permits, and all other permits and approvals required by any governmental or quasi-governmental authority in connection with the development, construction, use, occupancy or operation of the Property; (iv) any and all agreements relating to the development, construction, use, occupancy and/or operation of the Property between Trustor and any contractor, subcontractor, project manager or supervisor, architect, engineer, laborer or supplier of materials; (v) all lease, rental or occupancy

agreements and payments received thereunder; (vi) all names under which the Property is now or hereafter known and all rights to carry on business under any such names or any variant thereof; (vii) all trademarks relating to the Property and/or the development, construction, use, occupancy or operation thereof; (viii) all goodwill relating to the Property and/or the development, construction, use, occupancy or operation thereof; (ix) all insurance proceeds and condemnation awards arising out of or incidental to the ownership, development, construction, use, occupancy or operation of the Property; (x) all reserves, deferred payments, deposits, refunds, cost savings, bonds, insurance policies and payments of any kind relating to the Property; (xi) all loan commitments issued to Trustor in connection with any sale or financing of the Property; (xii) all water stock, if any, relating to any Property and all shares of stock or other evidence of ownership of any part of or interest in any Property that is owned by Trustor in common with others; and (xiii) all supplements, modifications and amendments to the foregoing.

(c) All fixtures located upon or within the Property or now or hereafter attached to, installed in, or used or intended for use in connection with the Property, including without limitation any and all partitions, generators, screens, awnings, boilers, furnaces, pipes, plumbing, elevators, cleaning, call and sprinkler systems, fire extinguishing apparatus and equipment, water tanks, heating ventilating, air conditioning and air cooling equipment, and gas and electric machinery and equipment.

(d) All present and future accessories, additions, attachments, replacements and substitutions of or to any or all of the foregoing.

(e) All cash and noncash proceeds and products of any and all of the foregoing, including without limitation all monies, deposit accounts, insurance proceeds and other tangible or intangible property received upon a sale or other disposition of any of the foregoing.

2. Obligations Secured. Trustor makes this grant and assignment for the purpose of securing the following obligations ("**Secured Obligations**"):

- (a) Payment to Beneficiary of all indebtedness at any time owing under the terms of the Note;
- (b) Payment and performance of all obligations of Trustor under this Deed of Trust;
- (c) Payment and performance of all future advances and other obligations of Trustor or any other person, firm, or entity with the approval of Trustor, may agree to pay and/or perform (whether as principal, surety or guarantor) for the benefit of Beneficiary, when the obligation is evidenced by a writing which recites that it is secured by this Deed of Trust; and
- (d) All modifications, extensions and renewals of any of the obligations secured hereby, however evidenced.

This Deed of Trust does not secure the DDA or the Covenant Agreement.

3. Obligations. The term "obligations" is used herein in its broadest and most comprehensive sense and shall be deemed to include, without limitation, all interest and charges, prepayment charges, late charges and fees at any time accruing or assessed on any of the Secured Obligations.

4. Incorporation. All terms of the Note and the Secured Obligations are incorporated herein by this reference. All persons who may have or acquire an interest in the Property shall be deemed to have notice of the terms of all of the foregoing documents.

5. Mortgagee-in-Possession. Neither the assignment of rents set forth in the Deed of Trust nor the exercise by Beneficiary of any of its rights or remedies hereunder shall be deemed to make Beneficiary a "mortgagee-in-possession" or otherwise liable in any manner with respect to the

Property, unless Beneficiary, in person or by agent, assumes actual possession thereof. Nor shall appointment of a receiver for the Property by any court at the request of Beneficiary or by agreement with Trustor, or the entering into possession of the Property by such receiver, be deemed to make Beneficiary a "mortgagee-in-possession" or otherwise liable in any manner with respect to the Property.

6. Casualty and Condemnation. In the event of any fire or other casualty to the improvements on the Property or eminent domain proceedings resulting in condemnation of the improvements or any part thereof, and provided Beneficiary has been provided the opportunity to participate in any proceedings as required in the DDA or this Deed of Trust, if the Beneficiary determines that restoration or rebuilding of the improvements is economically feasible, Trustor shall have the right to rebuild the improvements, and to use the net insurance proceeds therefor subject to such requirements as reasonably imposed by Beneficiary including but not limited to, (i) the funds are sufficient to rebuild as evidenced by a construction budget and construction contract reasonably approved by Beneficiary, (ii) if the funds are insufficient to rebuild, that Trustor shall provide the balance of such funds necessary to rebuild, (iii) that all funds will be held by an independent escrow company for distribution during reconstruction, and (iv) any excess proceeds shall be applied to reduce the Note, (subject to the terms of the Senior Financing). Condemnation alone shall not cause acceleration of the Note and Secured Obligations shall not be due and payable unless it is a condemnation of a material portion of the Project.

7. No Cure. In the event Beneficiary collects and receives any rents under the Deed of Trust upon any default hereof, such collection or receipt shall in no way constitute a curing of the default.

8. No. Waiver. Except as otherwise expressly provided in this Deed of Trust, any failure or delay in giving such notice or in asserting any of its rights and remedies as to any default shall not constitute a waiver of any default, nor shall it change the time of default, nor shall it deprive either party of its rights to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

9. Inconsistency. In the event of any inconsistency in the terms of this Rider and the provisions set forth in the standard deed of trust recorded in the Recorder's Office of the County of Los Angeles, the terms of this Rider shall control.

10. Due on Sale or Encumbrance. If Trustor sells, contracts to sell, gives an option to purchase, conveys, leases with an option to purchase, encumbers, or alienates the Property, or any interest in it, or suffers its title to, or any interest in, the Property to be divested, whether voluntarily or involuntarily; or if there is a sale or transfer of beneficial interests in Trustor equal to fifty percent (50%) or more of the beneficial ownership interests of that entity outstanding at the date of this Deed of Trust; or if Trustor changes or permits to be changed the character or use of the Property; or if title to such Property becomes subject to any lien or charge, voluntary or involuntary, contractual or statutory, without Beneficiary's prior written consent, then Beneficiary, at Beneficiary's option, may, without prior notice, declare all sums secured by this Deed of Trust, regardless of their stated due date(s), immediately due and payable and may exercise all rights and remedies in this Deed of Trust. Furthermore, if, after the business has opened on the Property encumbered by this Deed of Trust as required by the DDA, such business ceases operations for more than six (6) months (except as a result of a force majeure event), Beneficiary shall have the right, but not the obligation, upon thirty (30) written notice to Trustor, to declare all sums secured by this Deed of Trust, regardless of their stated due date(s), immediately due and payable and may exercise all rights and remedies in this Deed of Trust."

11. Default; Acceleration. A default under the Note, the DDA or Covenant Agreement shall be a default under this Deed of Trust. Upon a default of this Deed of Trust, Beneficiary may, at its option, declare the Note and all the Secured Obligations hereby evidenced immediately due

and payable and collectible then or thereafter as Beneficiary may elect, regardless of the date of maturity, and notice of the exercise of said option is hereby expressly waived by Trustor.

12. Receiver. In addition to any and all other remedies of Beneficiary set forth under this Deed of Trust or permitted at law or in equity, if a default shall have occurred, Beneficiary, to the extent permitted by law and without regard to the value, adequacy or occupancy of the security for the Note and other sums secured hereby, shall be entitled as a matter of right if it so elects to the appointment of a receiver to enter upon and take possession of the Property and to collect all rents and profits and apply the same as the court may direct, and such receiver may be appointed by any court of competent jurisdiction by ex parte application and without notice, notice of hearing being hereby expressly waived. The expenses, including receiver's fees, attorneys' fees, costs and agent's compensation, incurred pursuant to the power herein contained shall be secured by this Deed of Trust.

13. Security Agreement. This Deed of Trust also constitutes a security agreement with respect to all personal property in which Beneficiary is granted a security interest hereunder, and Beneficiary shall have all of the rights and remedies of a secured party under the Uniform Commercial Code as enacted in California ("**California Uniform Commercial Code**") as well as all other rights and remedies available at law or in equity. Trustor hereby agrees to execute and deliver on demand and hereby irrevocably constitutes and appoints Beneficiary the attorney-in-fact of Trustor, to execute, deliver and, if appropriate, to file with the appropriate filing officer or office such security agreements, financing statements, continuation statements or other instruments as Beneficiary may request or require in order to impose, perfect or continue the perfection of, the lien or security interest created hereby. Trustor and Beneficiary agree that the filing of a financing statement in the record normally having to do with personal property shall never be construed as in any way derogating from or impairing the lien of this Deed of Trust and the intention of Trustor and Beneficiary that everything used in connection with the operation or occupancy of the Property is and at all times and for all purposes and in all proceedings, both legal and equitable, shall be regarded as real property or goods which are or are to become fixtures, irrespective of whether (i) any such item is physically attached to the buildings and improvements on the Property; (ii) serial numbers are used for the better identification of certain equipment items capable of being filed by the Beneficiary; or (iii) any such item is referred to or reflected in any such financing statement so filed at any time. Such mention in the financing statements is declared to be for the protection of the Beneficiary in the event any court or judge shall at any time hold that notice of Beneficiary's priority of interest must be filed in the California Commercial Code records to be effective against a particular class of persons, including, but not limited to, the federal government and any subdivision or entity of the federal government. Trustor covenants and agrees to reimburse Beneficiary for any costs incurred in filing such financing statement and any continuation statements.

Upon the occurrence of default hereunder, and after delivery of notice and the expiration of all applicable cure periods, Beneficiary shall have the right to cause any of the Property which is personal property and subject to the security interest of Beneficiary hereunder to be sold at any one or more public or private sales as permitted by applicable law, and Beneficiary shall further have all other rights and remedies, whether at law, in equity, or by statute, as are available to secured creditors under applicable law, specifically including without limitation the right to proceed as to both the real property and the personal property contained within the Property as permitted by Uniform Commercial Code Section 9501(4), including conducting a unified sale thereof. Any such disposition may be conducted by an employee or agent of Beneficiary or Trustee. Any person, including both Trustee and Beneficiary, shall be eligible to purchase any part or all of such property at any such disposition.

This Deed of Trust constitutes a fixture filing under Sections 9313 and 9402(6) of the California Uniform Commercial Code, as amended or recodified from time to time.

14. Notices. Formal notices, demands, and communications between Trustor and Beneficiary shall be given by (i) personal service, (ii) delivery by reputable document delivery service such as Federal Express that provides a receipt showing date and time of delivery, or (iii) mailing in the United States mail, certified mail, postage prepaid, return receipt requested, addressed to:

To Beneficiary:	City of Bell 6330 Pine Ave. Bell, California 90201 Attn: City Manager
With a Copy to:	Aleshire & Wynder, LLP 1 Park Plaza, Suite 1000 Irvine, CA 92614 Attention: David Aleshire, Esq.
To Trustor:	Genetfy Holdings LLC 622 West Hart Place Montebello, CA 90640 Attn: Barney Santos

Notices personally delivered or delivered by document delivery service shall be deemed effective upon receipt. Notices mailed shall be deemed effective on the second business day following deposit in the United States mail. Such written notices, demands, and communications shall be sent in the same manner to such other addresses as either party may from time to time designate by mail.

IN WITNESS WHEREOF, Trustor has executed this Rider on the date of Trustor's acknowledgment herein below, to be effective for all purposes as of the day and year first set forth above.

TRUSTOR:

GENTEFY HOLDINGS, LLC, a California limited liability company

By: GENTEFY, INC., a California corporation
Managing Member

By:

NOT TO BE EXECUTED UNTIL CLOSING

Barney Santos, Chief Executive Officer

By: _____
Evelyn Santos, Secretary

EXHIBIT "A"

LEGAL DESCRIPTION

That certain real property located in the City of Bell, County of Los Angeles, State of California, legally described as:

(To be completed prior to execution)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, 202__ before me, _____, a notary public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

SEAL:

Attachment 10
CITY PARCEL EASEMENT
INTENTIONALLY OMITTED

Attachment 11

CERTIFICATE OF COMPLETION

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO :

City of Bell
6330 Pine Ave.
Bell, CA 90201
Attn: City Manager

APN 6325-018-023

Space above for Recorder's Use ONLY

Exempt from recording fees per Govt Code 27281

CERTIFICATE OF COMPLETION

Pursuant to that certain Disposition and Development Agreement dated _____, 202__ ("**Agreement**") by and between the CITY OF BELL, California charter city ("**City**") and GENTEFY HOLDINGS LLC, a California limited liability company ("**Developer**"), Developer has agreed to develop that certain real property situated in the City of Bell, California, described on Exhibit "A" attached hereto and made a part hereof ("**Property**").

RECITALS:

- A. As referenced in the Agreement, City is required to record a Certificate of Completion upon completion of construction and development on the Property, which certificate shall be recorded in the Official Records of Los Angeles County, California.
- B. This Certificate of Completion shall constitute a conclusive determination by City of the satisfactory completion by Developer of its obligations under the Agreement.

NOW, THEREFORE,

1. The improvements required to be constructed have been satisfactorily completed in accordance with the provisions of the Agreement.
2. This Certificate of Completion shall constitute a conclusive determination of satisfaction of the agreements and covenants contained in the Agreement with respect to the obligations of Developer.
3. This Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to any holder of a mortgage or any insurer of a mortgage, securing money loaned to finance the improvements or any part thereof.
4. This Certificate of Completion is not a Notice of Completion as referred to in California Civil Code Section 3093.

5. Except as stated herein, nothing contained in this Certificate of Completion shall modify in any way any other provisions of the Agreement or any other provisions of the documents incorporated therein.

IN WITNESS WHEREOF, City has executed this Certificate of Completion this _____ day of _____, 20__.

CITY:

THE CITY OF BELL, a California
charter city

By:

NOT TO BE EXECUTED UNTIL CLOSING

Ali Saleh, Mayor

ATTEST:

By: _____
Angela Bustamante, City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: _____
David Aleshire
City Attorney

EXHIBIT "A"

LEGAL DESCRIPTION

That certain real property in the City of Bell, County of Los Angeles, State of California legally described as follows:

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, 202_ before me, _____, a notary public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

SEAL:

Attachment 12

SLA COVENANT AGREEMENT

FREE RECORDING REQUESTED AND
WHEN RECORDED, RETURN TO:

City of Bell
6330 Pine Ave.
Bell, California 90201
Attn: City Manager

APNs. 6325-018-023

(Space above This Line for Recorder's Office Use Only)
(Exempt from Recording Fee per Gov. Code § 6103)

COVENANT AGREEMENT

THIS COVENANT AGREEMENT (this "**Covenant Agreement**") is made and entered into this _____ day of _____, 202__, GENTIFY HOLDINGS, LLC, a California limited liability company ("**Owner**") in favor of the CITY OF BELL, a California charter city ("**City**"). Owner and CITY are occasionally referred to herein each as a "**party**" and jointly as the "**parties**". The California Department of Housing and Community Development ("**HCD**") is a third party beneficiary of this Covenant Agreement.

RECITALS:

- A. Owner owns that certain improved real property located at 4410 Gage Street in the City of Bell, County of Los Angeles, State of California (APN 6325-018-023) more particularly described in Exhibit A attached hereto and incorporated herein by this reference ("**Property**").
- B. Owner acquired the Property from the City pursuant to that certain Grant Deed recorded immediately prior to this Covenant ("**Grant Deed**") in the Official Records of Los Angeles County ("**Official Records**").
- C. Prior to selling the Property to Owner, the City was required and did comply with the provisions of the Surplus Land Act (Government Code Section 54220 et seq) and the applicable regulations ("**SLA**").
- D. As material consideration for the sale of the Property to Owner, this Covenant Agreement is mandated under the SLA with respect to any future residential development of the Property.
- E. Accordingly, City and Owner now desire to place a covenant regarding any future residential development of the Property.

NOW, THEREFORE, Owner declares, covenants and agrees, by and for itself, its heirs, executors, administrators and assigns, and all persons claiming under or through it, that the Property shall be burdened, held, transferred, encumbered, used, sold, conveyed, leased, and occupied, subject to the covenant hereinafter set forth.

1. **EFFECTIVE DATE; TERM.** This Covenant Agreement shall be effective as of the date it is recorded in the Official Records ("**Effective Date**") and continue for fifty-five (55) years ("**Term**").

2. COVENANT. Nothing herein shall be construed to require the Property to be developed for residential. However, if, at any time during the Term, ten (10) or more residential units are developed on the Property, not less than fifteen percent (15%) of the total number of residential units developed on the Property shall be sold or rented at affordable housing cost, as defined in Section 50052.5 of the California Health and Safety Code, or affordable rent, as defined in Section 50053 of the California Health and Safety Code, to lower income households, as defined in Section 50079.5 of the California Health and Safety Code. Thereafter, rental units shall remain affordable to and occupied by lower income households for a period of fifty-five (55) years for rental housing and forty-five (45) years for ownership housing. The initial occupants of all ownership units shall be lower income households, and the units shall be subject to an equity sharing agreement consistent with the provisions of paragraph (2) of subdivision (c) of 65915 of the California Government Code. These requirements are covenants running with the land and shall be enforceable against any owner who violates a covenant and each successor-in-interest who continues the violation by any of the entities described in subdivisions (a) to (f), inclusive, of Section 54222.5 of the California Government Code.

3. COVENANT TO RUN WITH THE LAND. Owner hereby subjects and burdens the Property to the covenant set forth in Section 2. Owner understands that the covenant runs with the land and shall pass to and be binding upon Owner's successors in title to the Property for the Term. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property, or any portion thereof, shall conclusively be held to have been executed, delivered and accepted subject to this Covenant Agreement, regardless of whether such covenants, reservations, and restrictions are set forth in such contract, deed or other instrument.

4. AMENDMENTS, MODIFICATIONS OR TERMINATION. This Covenant Agreement may not be amended, modified or terminated except in writing, executed by the City, the then owner of the Property and HCD (or its successor) and recorded in the Official Records.

5. MISCELLANEOUS.

5.1. Notices. All notices, demands, requests, elections, approvals, disapprovals, consents or other communications given under this Covenant Agreement shall be in writing and shall be given by personal delivery, certified mail, return receipt requested, or overnight guaranteed delivery service and addressed as follows:

To City:	City of Bell 6330 Pine Ave. Bell, California 90201 Attn: City Manager
With a Copy to:	Aleshire & Wynder, LLP 1 Park Plaza, Suite 1000 Irvine, CA 92614 Attention: David Aleshire/Anne Lanphar, City Attorney
To Developer:	Gentefy Holdings, Inc. 622 West Hart Place Montebello, CA 90640 Attn. Barney Santos
With a Copy to:	Bruno Group Inc. 330 N Brand Blvd Suite 705 Glendale, Ca 91203 Attn. Alex Bruno

Notices shall be effective upon the earlier of receipt or refusal of delivery. Each party shall promptly notify the other party of any change(s) of address to which notice shall be sent pursuant to this section.

- 5.2. Governing Law.** This Covenant Agreement shall be construed and enforced in accordance with the laws of the State of California and any legal action shall be brought in a court of competent jurisdiction in Los Angeles County.
- 5.3. Attorney's Fees.** In the event of any litigation or other legal proceeding arising from this Covenant Agreement, the prevailing party will be entitled to recover, in addition to any other relief awarded or granted, its reasonable costs and expenses, including attorney's fees, incurred in the proceeding.
- 5.4. Construction.** This Covenant Agreement shall be construed according to its fair meaning as if prepared by both parties and in favor of full enforcement. Headings used in this Covenant Agreement are provided for convenience only.
- 5.5. No Waiver.** The failure to enforce any term, covenant, or condition of this Covenant Agreement shall not be construed as a waiver of the right to enforce this, or any other, term, covenant, or condition of this Covenant Agreement.
- 5.6. Governing Law.** This Covenant Agreement shall be governed by the laws of the State of California.
- 5.7. Incorporation of Recitals.** The Recitals set forth above are hereby incorporated into this Covenant Agreement.

IN WITNESS WHEREOF, the parties have executed this Covenant Agreement as of the dates specified below.

CITY:

CITY OF BELL, a California charter city

By: _____
Ali Saleh, Mayor

ATTEST:

Angela Bustamante, City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: _____
David Aleshire, City Attorney

DEVELOPER:

GENTEFY HOLDINGS, LLC, a California limited liability company

By: GENTEFY, INC., a California corporation
Managing Member

By: _____
Barney Santos,
Chief Executive Officer

By: _____
Evelyn Santos,
Secretary

NOT TO BE EXECUTED
UNTIL CLOSING

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

That certain real property in the City of Bell, County of Los Angeles, State of California legally described as follows:

(To be completed prior to execution)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

[illegible]

On _____, 202__ before me, _____, a notary public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

SEAL:

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, 202__ before me, _____, a
notary public, personally appeared _____
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

SEAL: