

ORDINANCE NO. 24-2407

AN UNCODIFIED ORDINANCE OF THE CITY OF CARSON, CALIFORNIA: (1) ADOPTING MITIGATED NEGATIVE DECLARATION AND MITIGATION MONITORING AND REPORTING PROGRAM WITH RESPECT TO APPROVAL OF DEVELOPMENT AGREEMENT NO. 26-21; AND (2) APPROVING DEVELOPMENT AGREEMENT NO. 26-21 BETWEEN THE CITY OF CARSON AND CARSON MAIN STREET LLC FOR A PROPOSED BUSINESS PARK PROJECT AT 20601 S. MAIN STREET.

WHEREAS, California Government Code Sections 65864 *et seq.* authorize the City of Carson (“City”) to enter into binding development agreements with persons having a legal or equitable interest in real property for the development of such property in order to establish certain development rights, for the purpose of strengthening the public planning process, encouraging private participation and comprehensive planning and identifying the economic costs of such development; and

WHEREAS, on March 25, 2021, the Department of Community Development received an application from Carson Main Street LLC (“Developer”) for certain entitlements for the development of a business park project (the “Project”). The Project consists of remediation of a former landfill site and development of a business park campus with three concrete tilt-up warehouse buildings with a collective 303,490 square feet of building floor area (including 12,000 square feet of mezzanine office space) within Planning Area 1 and one commercial building of 2,700 square feet within Planning Area 2, for a total of 306,190 square feet of building floor area, and will be located at 20601 S. Main Street upon the real property legally described in Exhibit “A” attached hereto and incorporated herein by this reference (the “Property”); and

WHEREAS, Developer’s requested entitlements consist of the following: (i) Zone Change (ZCC) No. 189-22, to change the zoning map designation for the Property from Manufacturing Light with Organic Refuse Landfill Overlay and Design Overlay Review (ML-ORL-D) to Figueroa Street Business Park Specific Plan (SP No. 25-21) zone; (ii) Specific Plan (SP No. 25-21), adopting the Figueroa Street Business Park Specific Plan to establish the development standards and permitted uses for the Property; (iii) Development Agreement (DA) No. 26-21, to grant specified development rights in exchange for provision of specified community benefits; (iv) Site Plan Review and Design Review (DOR) No. No. 1832-20, to approve the development plan for the project; and (v) Conditional Use Permit (CUP) No. 1108-21, to approve a CUP pursuant to Section 9148.8 of the CMC, which requires approval of a CUP based on specified findings by the Planning Commission for truck-related uses located less than one hundred (100) feet from a residential zone.

WHEREAS, Developer also requested that City, as lead agency pursuant to the California Environmental Quality Act (“CEQA”), adopt a Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program (“MND”) for the Project. Following an initial study, the City, as lead agency, prepared and made available a Draft MND dated May 10, 2023, as circulated on May 11, 2023 (State Clearinghouse #2023050278) for public review and comment pursuant to

CEQA Guidelines Section 15070, and subsequently prepared a Final MND incorporating text changes to the Draft MND pursuant to comments received on the Draft MND during and after the public comment period. The City also provided written responses to all such comments in the Final MND, inclusive of two Errata thereto.

WHEREAS, the application for DA No. 26-21, which, if approved by the City, would approve a Development Agreement between City and Developer (“Agreement”), was submitted pursuant to Government Code Sections 65864 through 65869.5; and

WHEREAS, after notice of the time, place and purpose of a public hearing was duly given, the City’s Planning Commission held a public hearing on March 26, 2024, to consider Developer’s applications for the Project, and heard testimony and considered all factors both oral and written. Following such public hearing, the Planning Commission: (1) recommended City Council adoption of the MND for the Project; (2) approved DOR No. 1832-20 and CUP No. 1108-21 contingent upon City Council adoption of the MND and approval of SP No. 25-21, ZCC No. 189-22, and DA No. 26-21 and subject to recommended conditions of approval; and (3) recommended that the City Council approve SP No. 25-21, ZCC No. 189-22, and DA No. 26-21 subject to the recommended conditions of approval; and

WHEREAS, after notice of the time, place and purpose of a public hearing was duly given, the City Council held a public hearing on May 22, 2024, to consider Developer’s applications for the Project, including the Agreement, and heard testimony and considered all factors both oral and written. Following the hearing, the City Council adopted the MND with respect to ZCC No. 189-22 and SP No. 25-21 (as conditioned) and conditionally approved ZCC No. 189-22 and SP No. 25-21 via adoption of City Council Ordinance No. 24-2408, in connection with adoption of this Ordinance, and now desires by this Ordinance to adopt the MND with respect to DA No. 26-21 and to approve DA No. 26-21 after findings of consistency with the City’s General Plan.

WHEREAS, all legal prerequisites to the adoption of this Ordinance have occurred.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CARSON DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. The above recitals are true and correct and are hereby incorporated into this Ordinance as set forth herein.

Section 2. **CEQA.**

The CEQA findings sets forth in City Council Ordinance No. 24-2408 are incorporated herein by this reference and made as findings of the City Council with respect to DA No. 26-21. Most notably, and without limitation, the City Council: (1) finds pursuant to CEQA Guidelines Section 15074(b), after consideration of the whole of the administrative record, including the MND and all comments received, with the imposition of mitigation measures, there is no substantial evidence that the project will have a significant effect on the environment; (2) finds the MND has been prepared and considered in compliance with CEQA and contains all required contents pursuant to CEQA Guidelines Section 15071; (3) finds the MND reflects the independent judgment and analysis of the City; (3) finds the mitigation measures identified in the MND have

been made enforceable conditions on the project; and (4) adopts the MND and the Mitigation Monitoring Program prepared for the MND with respect to DA No. 26-21. The location and custodian of the documents or other material which constitute the record of proceedings upon which the City Council's decision set forth in this Section 2 is based is as follows: City of Carson Planning Division, 701 E. Carson St., Carson, CA 90745.

Section 3. Based upon all oral and written reports and presentations made by City staff, Developer, and members of the public, including any attachments and exhibits, the City Council hereby finds that:

(a) The Agreement is consistent with the provisions of Government Code Sections 65864 through 65869.5.

(b) The Agreement is consistent with the General Plan. The Property is located in the Flex District land use classification of the General Plan Land Use Element, which provides in part, "new industrial uses would need to be "non-nuisance" (that is, compatible from noise, odor, air quality perspectives) in a mixed residential/industrial environment and will have to comply with performance standards to contain noise or air impacts within the site so that it does not adversely affect surrounding development. Any new construction . . . of . . . light . . . industrial uses adjacent to sensitive uses must include buffered setback areas and/or appropriate mitigation to ensure compatibility. . . . Warehousing/distribution/logistics facilities are permitted in any of the following circumstances: . . . (2) Facilities larger than 30,000 square feet are only permitted with provision of community benefits by means of a Development Agreement . . . The maximum allowed FAR for non-residential uses is 0.4, or 0.5 with the provision of community benefits by means of a Development Agreement"

The Agreement is consistent with the Flex District land use classifications because, among other things: (i) the project and any new industrial uses brought about by the project would be "non-nuisance" and would have to comply with performance standards to contain noise or air impacts within the site so as not to adversely affect surrounding development due to the features and restrictions detailed in subsection (c) below, without limitation; (ii) the project and any new industrial uses brought about by the project will include buffered setback areas and other appropriate mitigation to ensure compatibility; (iii) although the project includes warehouse/distribution/logistics facilities larger than 30,000 square feet, the Agreement provides community benefits allowing for same; and (iv) although the project has a FAR of 0.5, the Agreement provides community benefits allowing for same. The Agreement's community benefits are discussed further in subsection (d), below.

The Agreement also furthers the following General Plan goals and policies, without limitation: LUR-G-1; LUR-G-3; LUR-G-4; LUR-G-6, LUR G-10, LUR-G-12; LUR-G-13, LUR-G-14; LUR-G-15, LUR-P-8, LUR-P-19, LUR-P-21; LUR-P-22; CIR-G-5; CIR-P-6; CIR-P-29; CCD-P-4; CCD-P-5; CHE-G-2; CHE-G-4, NO-G-1; and ED-G-1.

(c) The Agreement provides for a project that is located within an area suitable for the proposed use. The Property is 14 acres and has minimal adjacency to existing residential areas and direct accessibility to the I-110 Freeway via Main Street, Torrance Blvd., and Figueroa Street. Further, with the project circulation plan and conditions of approval, large trucks (Class 7

or higher according to Federal Highway Administration Vehicle Classifications) will not directly pass any existing residential areas to access the Property (including during Project construction and/or operation). The project features (i) a site and building layout which faces truck loading areas away from Main Street and Figueroa Street to focus any potential impacts from noise, glare, odors, and other nuisances internally and away from surrounding uses; (ii) division of the three project warehouse buildings into individual tenant suites, each with a limit of five truck loading doors and with strict square footage limitations; (iii) a prohibition on outdoor operations on the easterly third of the Property during night-time hours (10:00 p.m. to 6:00 a.m.); (iv) adequate setback areas, landscape buffering, and perimeter walls and gates; and (v) provision of EV charging infrastructure to support future electric truck charging at all loading doors. The project also includes Planning Area 2, a 2,700 square foot building to provide locally serving retail commercial uses along the Figueroa Street frontage.

(d) The Agreement provides for a public convenience through significant monetary benefits which will contribute directly or indirectly to programs and services designed to provide for the health, safety, and welfare of the public, thereby exhibiting good land use practices. The Agreement specifies the Community Benefits in Article 3. These include: (i) remediation of the former landfill site at the developer's expense; and (ii) payment of a Community Benefits Fee in the amount of \$1,350,000 to the City, to be used in the City's discretion for either infrastructure and beautification improvements, capital improvement projects, or public art in the vicinity of the Property. Also, per the Agreement, the Property will be annexed into the City's Master CFD No. 2018-01 and Developer will pay Interim Development Impact Fees (IDIF) in accordance with the City's IDIF ordinance.

(e) The Agreement will not be detrimental to public health, safety, or general welfare, nor will it adversely affect the orderly development or property values for the Property or areas surrounding it. The project includes adoption of the Figueroa Street Business Park Specific Plan and a corresponding Zone Change to rezone the Specific Plan area (i.e., the Property) to the Figueroa Street Business Park Specific Plan zoning district, which has development standards, permitted use designations, and zoning regulations as set forth in the relevant portions of the Specific Plan. The zoning regulations established for the Property pursuant to the Specific Plan and Zone Change, together with the conditions of approval and the Agreement, comply with all applicable requirements and provide appropriate land use regulation for the Property once the project is developed, as more particularly detailed in Ordinance No. 24-2408 with respect to the Specific Plan and Zone Change. Remediation of the Property will be conducted subject to the oversight and regulation of the Department of Toxic Substances Control ("DTSC"), including approval and implementation of a DTSC-approved Response Plan.

(f) The Agreement is in compliance with the procedures established by the City as required by Government Code Section 65865(c).

(g) The Agreement in Article 6 provides for an annual review to ensure good faith compliance with the terms of the Agreement, as required in Section 65865.1 of the Government Code.

(h) The Agreement specifies the contents required by Government Code Section 65865.2, including without limitation the 15-year term of the Agreement in Section 2.1 and other project details in Recital D.

(i) The Agreement includes conditions, terms, restrictions, and requirements for development of the Property in Articles 3 and 4 (without limitation) and as permitted in Section 65865.2 of the Government Code.

(j) The Agreement contains provisions in Article 7 for termination of the Agreement prior to expiration of its term.

(k) The Agreement provides for amendment or cancellation in whole or in part, by mutual consent of the parties to the Agreement or their successors in interest, as required in Section 65868 of the Government Code.

(l) The Agreement is in the best public interest of the City and its residents. The Agreement will achieve a number of City objectives including ensuring compatibility of the development and use of the Property with surrounding uses, remediating a long-vacant former landfill site into a use and development that will generate hundreds of jobs and a significant amount of revenue for the City, and helping achieve a sustainable balance of residential and non-residential development and a balance of traffic circulation through the City, in furtherance of General Plan goals and objectives.

(m) The provisions of the Agreement are consistent with the General Plan and all applicable specific plans, as detailed above.

Section 4. Based on the aforementioned findings, the City Council hereby approves the Agreement, a copy of which is attached hereto as Exhibit “B” and incorporated herein by this reference, and authorizes its execution by the Mayor and all action necessary to comply with its terms.

Section 5. This Ordinance shall take effect on the 30th day following its adoption by the City Council. However, if and when the Agreement should terminate pursuant to Article 7 thereof, this Ordinance will automatically terminate concurrently therewith without any action needing to be taken by the City Council.

Section 6. Pursuant to Government Code Section 65868.5, the City Clerk of the City shall record a copy of the Agreement with the Los Angeles County Recorder’s office within 10 days after execution thereof.

Section 7. The City Council declares that, should any provision, section, paragraph, sentence, or word of this Ordinance be rendered or declared invalid by any final court action in a court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences, or words of this Ordinance as hereby adopted shall remain in full force and effect.

Section 8. The Mayor, City Manager, and City Clerk or their designees, are authorized and directed to take such actions and execute such documents and certifications as may be

necessary to implement and effect execution, recordation and enforcement of this Ordinance and the Agreement.

Section 9. The City Clerk of the City of Carson shall certify to the passage and adoption of this Ordinance and shall cause this Ordinance or a summary of this Ordinance to be published in a newspaper of general circulation in the City of Carson in accordance with Section 314 of the City's Charter.

PASSED, APPROVED and ADOPTED this ____ day of _____, 2024.

Lula Davis-Holmes, Mayor

ATTEST:

Dr. Khaleah K. Bradshaw, City Clerk

APPROVED AS TO FORM

Sunny K. Soltani, City Attorney

EXHIBIT "A"

PROPERTY LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF CARSON, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 4, IN THE CITY OF CARSON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 62 PAGE 68 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING FROM THAT PORTION INCLUDED WITHIN LOTS 38, 39 AND 44 OF TRACT NO. 6378, ALL OIL, GAS, HYDROCARBON SUBSTANCES AND OTHER MINERALS IN AND UNDER SAID LAND WITH THE RIGHT TO DRILL FOR, MINE, EXTRACT, TAKE AND REMOVE THE SAME FROM ANY WELLS OR SHAFTS LOCATED ON ANY LAND ADJACENT TO THE ABOVE DESCRIBED LAND WITHOUT ACCOUNTING TO THE GRANTEE FOR ANY RENTALS, ROYALTIES OR PROCEEDS FROM THE SALE OF SUCH MINERALS, AS RESERVED IN DEED FROM SUNSET OIL COMPANY, RECORDED AUGUST 2, 1944 IN BOOK 20925, PAGE 72 OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES AND ALL OTHER MINERALS IN AND UNDER SAID LAND (EXCEPT THE SOUTH 350 FEET OF LOTS 36 AND 37), AS RESERVED BY SUNSET OIL COMPANY, A CORPORATION IN DEED RECORDED JULY 1, 1955 IN BOOK 48230, PAGE 289 OF OFFICIAL RECORDS AND BY SUNSET INTERNATIONAL PETROLEUM CORPORATION, A CORPORATION IN DEED RECORDED JULY 20, 1960 IN BOOK D-916 PAGE 193 OF OFFICIAL RECORDS.

ALSO EXCEPT FROM SAID LAND THAT PORTION LYING WITHIN THE LINES OF LOT 91 TRACT NO. 4671, ALL OIL, GAS, PETROLEUM AND OTHER HYDROCARBON SUBSTANCES WHICH LIE BELOW A PLANE OF 500 FEET FROM THE SURFACE OF SAID LAND AS EXCEPTED IN THE DEED FROM DEL AMO ESTATE COMPANY, A CORPORATION, RECORDED NOVEMBER 8, 1963 IN BOOK D-2250 PAGE 748 OF OFFICIAL RECORDS.

APN: 7336-003-043

EXHIBIT “B”

DEVELOPMENT AGREEMENT NO. 26-21

SEE ATTACHED

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

City of Carson
701 E Carson Street
Carson, CA 90745
Attn: Planning Manager

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (“**Agreement**”) is entered into on the ____ day of _____, 2024 (“**Execution Date**”), by and between the City of Carson, a municipal corporation of the State of California (“**City**”), and Carson Main Street, LLC, a Delaware limited liability company (“**Developer**”). The City and Developer are hereinafter collectively referred to as the “**Parties**” and individually as a “**Party**.”

RECITALS

- A. *The Development Agreement Statute.* California Government Code Sections 65864 *et seq.* (“**Development Agreement Law**”) authorizes cities to enter into binding development agreements with persons having a legal or equitable interest in real property for the development of such property, all for the purpose of strengthening the public planning process, encouraging private participation, and encouraging comprehensive planning and identifying the economic costs of such development.
- B. *Orderly Development; Public Benefits.* The City Council finds that this Agreement is in the best public interest of the City and its residents, adopting this Agreement constitutes a present exercise of the City’s police power, and this Agreement is consistent with the City’s General Plan. This Agreement and the proposed Project will achieve a number of City objectives, including the orderly development of the Property and the provision of public benefits, or funds therefor, to the City and its residents.
- C. *The Property.* The 14.42 acre property is a former landfill site and is currently vacant, located at 20601 S. Main Street, Carson, California, in a region characterized by a mix of commercial, residential, and industrial uses, having Assessor’s Parcel Number 7336-003-043, legally described in Exhibit “A” attached hereto and incorporated herein (the “**Property**”). The General Plan land use designation for the Property is in the Flex District.
- D. *The Project.* Developer proposes to develop the Property with a project that includes remediation of the former landfill and development of a business park campus with facilities that can accommodate a range of uses that can include offices, research and development, e-commerce and light industrial (warehousing/distribution/logistics) and incidental commercial/retail in three buildings divided into eight Tenant Suites as further detailed below, and general commercial/retail uses in one smaller building fronting S. Figueroa St. (Building 4 as referred to in Exhibit B), having square footages as fully described in Exhibit B attached hereto and incorporated herein by this reference (the “**Project**”). The Project will include approximately 313,266 square feet of gross building floor area (including up to 19,000 square feet of mezzanine space, which may be used to

create a 2-story office buildout in portions of each Tenant Suite) (“**Total Square Footage**”) within the four separate buildings collectively (each a “**Building**”)

The Project shall be comprised of eight total light industrial business park units (“**Tenant Suites**”) allocated across three concrete tilt-up buildings. Subject to the overall cap on Total Square Footage, each Tenant Suite shall range in square footage from approximately 30,000-50,000 gross square feet of Total Square Footage, including any mezzanine space. Square footage in each Tenant Suite may be freely allocated by Developer between light industrial, office, and mezzanine space as long as each Tenant Suite contains at least 3,000 square footage of office space. Mezzanine space shall be developed predominantly as office. Each Tenant Suite shall feature concrete permanent demising walls that cannot be modified to combine units or change the size of the units and no single tenant shall occupy more than one Tenant Suite at the Property at any one time, for so long as the Project is in operation existence. Each Tenant Suite may have a maximum of five Truck Doors.

- E. The City is the lead agency, within the meaning of the California Environmental Quality Act, Public Resources Code § 21000 et seq. (“**CEQA**”), for purposes of conducting environmental review of the Project. City finds and determines that all actions required of City precedent to approval of this Agreement have been duly and regularly taken. In accordance with the requirements of the California Environmental Quality Act (Public Resources Code § 21000, *et seq.* (“**CEQA**”), appropriate studies, analyses, reports, and documents were prepared and considered by the Planning Commission and the City Council. The Planning Commission, after a duly noticed public hearing on March 26, 2024, recommended approval of a Mitigated Negative Declaration (“**MND**”) for the Project in accordance with CEQA. On the same day, the Planning Commission, after giving notice pursuant to Government Code §§ 65090, 65091, 65092 and 65094, held a public hearing on the Developer’s application for this Agreement (“**DA No. 26-21**”), Specific Plan (“**SP No. 25-21**”), Zone Change (“**ZC No. 189-22**”), Conditional Use Permit (“**CUP No. 1108-21**”), and Site Plan and Design Review (“**DOR No. 1854-21**”) (collectively, together with the MND, the “**Entitlements**”), and adopted Resolution No. 24-2869 recommending that the City Council approve said Entitlements.
- F. On _____, 2024, the City Council, after provision of the public notice required by law, held a public hearing to consider the Developer’s application for this Agreement and Entitlements. The Planning Commission and the City Council have found on the basis of substantial evidence based on the entire administrative record, that this Agreement is consistent with all applicable plans, rules, regulations, and official policies of the City.
- G. *Adoption of DIF Program.* On April 16, 2019, the City Council adopted Ordinance No. 19-1931 to implement the City’s Interim Development Impact Fee Program (“**DIF Program**”) to establish an interim Development Impact Fee (“**DIF**”) schedule applicable to new development within the City. DIFs are valuable tools to fund infrastructure needs associated with new/additional development within the City pursuant to Government Code Sections 66000 *et seq.* DIFs serve the purpose of allowing the City to recover from each new development project a reasonable and proportional share of the cost of public facilities and infrastructure improvements that serve or will benefit that development.

- H. *Agreed-Upon Payment of DIF Amount.* City staff and its rate consultants have analyzed the draft “Development Impact Fee Study” and currently-available fee study data, and potential impacts upon public facilities and infrastructure attributable to the Project, in order to accurately estimate the DIFs that would be applicable to the Project. Project DIF amounts in this Agreement were estimated by reviewing the individual Project and its direct relationship to the impacts created by the Project, and the fees collected, and it was determined that the amounts of the fees are roughly proportional to the Project’s specific impacts. Based on such analyses, the parties hereto mutually agree that Project impacts warrant a DIF payment as described below, which amount is to be calculated and paid, building-by-building, prior to issuance of any building permits for each Building. All payments for DIFs pursuant to this Agreement are hereinafter referred to as the “**DIF Payments**”. The Parties agree that such DIF Payments are (1) directly related to the impacts of the Project, and (2) roughly proportional to the specific impacts upon public facilities and infrastructure attributable to the Project.
- I. *CFD Formation.* On November 7, 2018, the City formed a Master CFD entitled City of Carson Community Facilities District No. 2018-01 (Maintenance and Services) (the “**Master CFD**”) for the purpose of funding the maintenance of public infrastructure within the area of the Master CFD which is within the City’s jurisdictional boundaries (the “**Services**”). More specifically, the Services may include, but not be limited to, the provision of general City services and the maintenance of sidewalks, roadways, and parks to enhanced service levels. Additionally, the Master CFD may also fund any other public services as authorized under Section 53313 of the California Government Code. The Master CFD contemplates that the City will annex properties from time to time to the Master CFD to fund Services by unanimous written consent or as otherwise permitted by the Mello Roos Community Facilities Act of 1982 (the “**Act**”), which properties may be annexed as a “Zone” or otherwise with special taxes related to such properties to be assessed on the property owner pursuant to the Act.
- J. *CFD Annexation.* By entering into this Agreement, Developer has agreed that the Property shall be annexed into the Master CFD and be subject to the Property’s special taxes, which will help finance on-going Services associated with the Project.
- K. *Community Benefits and Fees.* By entering into this Agreement, Developer has agreed to make certain contributions towards community public benefits as described in Section 3.4 below, and the Parties agree that such contributions are (1) reasonably related to the legitimate City governmental interests advanced thereby, and (2) roughly proportional to the impacts of the Project. Pursuant to the General Plan, provision of community benefits is required for facilities larger than 30,000 square feet and to allow a floor area ratio (FAR) of up to 0.5.
- L. *Developer’s Interest in the Property.* Developer is currently the sole owner of the Property and as such, possesses the requisite equitable interest in the Property under Government Code Section 65865 that allows the Parties to enter into this Agreement.

COVENANTS

NOW, THEREFORE, in consideration of the above recitals and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. GENERAL DEFINITIONS.

In addition to those terms defined within the above Recitals and elsewhere within this Agreement, the following terms shall bear the meanings set forth below:

1.1 “Adopting Ordinance” means Ordinance No. ____ approving this Agreement, introduced on _____, 2024 and adopted on _____, 2024.

1.2 “Agreement” means this Development Agreement, including all of its exhibits.

1.3 “Annual Review” means the annual review of the Developer’s performance under this Agreement in accordance with Article 6 of this Agreement.

1.4 “Applicable Laws” means, collectively, the following:

- a. The Project Development Approvals (including the Conditions of Approval).
- b. The Existing Land Use Regulations.
- c. Subsequent Development Approvals.
- d. Those Subsequent Land Use Regulations to which Developer has agreed in writing.

1.5 “Approval Date” means the date on which the City Council conducted the second reading of the Adopting Ordinance. That date is _____, 2024.

1.6 “CFD” means any Community Facilities District that is applicable to the Property and formed pursuant to the Mello Roos Community Facilities Act of 1982.

1.7 “City” means the City of Carson, a California Charter city.

1.8 “City Council” means the City Council of the City of Carson.

1.9 “Class 7+ Vehicle” means any vehicle in Class 7 through Class 13 according to the 13 Federal Highway Administration vehicle category classifications as they existed on the Effective Date.

1.10 “Conditions of Approval” means all conditions imposed on the Project by the City, including those recommended by the Los Angeles County Fire Department, as part of the Project Development Approvals.

1.11 “Construction Cost Index” or “CCI” means the Engineering News Record (ENR) Construction Cost Index for the Los Angeles Urban area published each year, or if such index is no longer available then a comparable index as reasonably selected by City.

1.12 “Developer” means Carson Main Street, LLC, a Delaware limited liability company, and its successors and assigns to all or any part of the Property.

1.13 “Developer’s Vested Right” means Developer’s right to complete the Project in accordance with, and to the full extent of, the Applicable Rules, as detailed in Section 4.1 hereof.

1.14 “Development” means the improvement of the Property for the purposes of completing the structures, improvements, and facilities comprising the Project including, but not limited to: grading; the construction of infrastructure related to the Project whether located within or outside the Property; the construction of buildings and structures; and the installation of landscaping and other facilities and improvements necessary or appropriate for the Project, and the maintenance, repair, or reconstruction of any building, structure, improvement, landscaping or facility after the construction and completion thereof.

1.15 “Development Approvals” means all Project-specific approvals, excluding this Agreement. Development Approvals include, but are not limited to, plans, maps, permits, site plans, design guidelines, variances, conditional use permits, grading, building, and other similar permits, environmental assessments, including environmental impact reports and negative declarations, and any amendments or modifications to those matters. “Development Approvals” does not include (i) rules, regulations, policies, and other enactments of general application within the City, (ii) legislative enactments, or (iii) any matter where City has reserved authority under Section 5 of this Agreement. Development Approvals are not Land Use Regulations.

1.16 “Development Plan” means Developer’s plan for completion of the Project in compliance with and to the full extent of the Applicable Laws, which is approved by the City as part of the Project Development Approvals.

1.17 “DIF(s)” means a monetary exaction other than a tax or special assessment, whether established for a broad class of projects by legislation of general applicability or imposed on a specific project on an ad hoc basis, that is charged by a local agency to the applicant in connection with approval of a development project, for the purpose of defraying all or a portion of the cost of public facilities related to the development project, but does not include fees specified in Government Code Section 66477, fees for processing applications for governmental regulatory actions or approvals, fees collected under development agreements adopted pursuant to Article 2 (commencing with Section 65864 of Chapter 4 of the Government Code). “Development Impact Fee” expressly excludes processing fees and charges of every kind and nature imposed by City to cover the estimated actual costs to City of processing applications for Development Approvals or for monitoring compliance with any Development Approvals granted or issued, including, without limitation, fees for zoning variances; zoning changes; use permits; building inspections; building permits; filing and processing applications and petitions filed with the local agency formation commission or conducting preliminary proceedings or proceedings under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Division 3 (commencing with Section 56000) of Title 5 of the Government Code. For purposes of this Agreement, Development Impact Fees include those fees listed in Section 3.1 hereof.

1.18 “Director” means the City’s Community Development Director.

1.19 “DTSC Regulations” means the RAP and all other orders, or regulations imposed by DTSC upon the Project (and any amendments or modifications thereto).

1.20 “Effective Date” means the date on which the Adopting Ordinance becomes effective, typically thirty (30) days after the second reading of the Adopting Ordinance.

1.21 “Entitlements” means this Agreement, the MND, SP No. 25-2021, CUP No. 1108-2021, ZC No. 189-22, and DOR No. 1854-2021.

1.22 “Exhibit” means an exhibit to this Agreement, unless otherwise specifically referenced to a different agreement or document. The following exhibits are incorporated into the Agreement by reference as though set forth in full:

Exhibit A Legal description of the Property

Exhibit B Unit Square Footage Table

1.23 “Existing Land Use Regulations” means (i) all Land Use Regulations in effect on the Effective Date and (ii) any changes to Land Use Regulations enacted on or after the Approval Date and before the Effective Date for which Developer has provided its written consent to allow those changes to apply to the Project.

1.24 “Land Use Regulations” are ordinances, laws, resolutions, codes, rules, regulations, official written policies of City, including but not limited to the City’s General Plan, Municipal Code, and Zoning Code, which affect, govern or apply to the development and use of the Property, including, without limitation, the permitted use of land, the density or intensity of use, subdivision requirements, the maximum height and size of proposed buildings, the provisions for reservation or dedication of land for public purposes, and the design, improvement, and construction standards and specifications applicable to the development of the Property, as modified or supplemented by the Development Approvals. “Land Use Regulations” do not include (i) Development Approvals, (ii) regulations relating to the conduct of business, professions, and occupancies generally, (iii) taxes and assessments, (iv) regulations for the control and abatement of nuisances, or (v) any other matter reserved to the City pursuant to Article 5.

1.25 “Mortgage” means a mortgage, deed of trust, or other security instrument encumbering the Property.

1.26 “Mortgagee” means a mortgagee of a mortgage, a beneficiary under a deed of trust or any other security device, a lender, or each of their respective successors and assigns.

1.27 “Project” means the development of the Property as described in Recital D (The Project), consistent with and to the full extent of the Project Development Approvals and all applicable Land Use Regulations.

1.28 “Project Development Approvals” means all Development Approvals, inclusive of the Entitlements (excluding this Agreement) and all Conditions of Approval, which have been applied for by Developer to complete the Project and issued by the City as of the Effective Date,

provided that those Development Approvals are consistent with Developer's Vested Right (subject to City's Reservation of Authority), this Agreement, and the Applicable Laws. The Entitlements (minus this Agreement), as examples of Project Development Approvals, have been or are anticipated to be approved, subject to the Conditions of Approval, prior to or in conjunction with the approval of this Agreement.

1.29 "Property" means the real property described in Exhibit "A".

1.30 "Reservation of Authority" means the limitations, reservations, and exceptions to Developer's Vested Right set forth in Article 5 of this Agreement.

1.31 "Subsequent Land Use Regulations" means those Land Use Regulations which are both adopted and effective on or after the Approval Date and which are not included within the definition of Existing Land Use Regulations.

1.32 "Subsequent Development Approvals" means all Development Approvals issued subsequent to the Effective Date in connection with development of the Property, which shall include, without limitation, any changes to the Development Approvals.

1.33 "Term" shall have the meaning ascribed to it in Section 2.1, unless earlier terminated as provided in this Agreement.

1.34 "Truck Doors" shall mean dock high loading doors.

2. TERM & GENERAL COVENANTS.

2.1 Term. The term of this Agreement (the "**Term**") starts on the Effective Date and shall expire fifteen (15) years after City's approval of the last of the Entitlements, subject to any early termination provisions described in this Agreement.

2.2 Binding Effect of Agreement. From and following the Effective Date, actions by the City and Developer with respect to the development of the Property for completion of the Project, including actions by the City on applications for Subsequent Development Approvals affecting the Property shall be subject to the terms and provisions of this Agreement.

2.3 Agreement Runs with the Land. This Agreement shall be recorded and shall run with the land. Pursuant to Government Code Section 65868.5, the burdens of this Agreement and each of its provisions shall be binding upon, and the benefits of this Agreement shall inure to, all successors in interest to the Parties, including, but not limited to, all parties that enter into lease agreements with Developer for possession of any part of the Property.

2.4 Covenant Against Discrimination. The Developer covenants, by and for itself, its heirs, executors, 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, sexual orientation or gender preference, national origin, or ancestry in the performance of this Agreement. The Developer shall take affirmative action to ensure that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, sexual orientation or gender preference, national origin, or ancestry.

3. DEVELOPER'S OBLIGATIONS.

As consideration for the granting of Developer's Vested Right in accordance with Article 4 below and subject to the City's Reservation of Authority set forth in Article 5 below, Developer shall do the following:

3.1 Development Impact Fees. Developer shall make DIF payments to the City calculated at \$3.36 per square foot of Total Square Footage excluding Building 4 as referred to in Exhibit B and \$6.03 per square foot for the Total Square Footage of Building 4 as referred to in Exhibit B, consistent with and in satisfaction of the City DIF program, which DIF amount shall be adjusted as described in Section 3.1(a)-(b) below depending on the timing of payment and any changes made to the Project gross building floor area specified herein as of the time of payment, subject to Section 12.4 below. The Parties agree that such DIF Payments are (1) directly related to the impacts of the Project, and (2) roughly proportional to the specific impacts upon public facilities and infrastructure attributable to the Project. Developer agrees to release, defend, and hold the City harmless from any and all claims, costs (including attorneys' fees) and liability for any damages, which may arise, directly or indirectly, from the City determination, calculation, or imposition of, or Developer's agreement to pay, the DIF Amount.

a. **Timing of Payment of DIF Amount.** The DIF Payment is payable for each Building prior to the issuance of the building permit for such Building and is a condition precedent thereto.

b. **DIF Amount Adjustments.** All DIF Amounts shall be adjusted annually in accordance with the State of California Construction Cost Index (prior March to current March adjustment) on July 1st of each year. The DIF Amount figures specified in Section 3.1 above apply to payments made from July 1, 2023, through June 30, 2024. The total DIF Amount shall also be subject to adjustment based on any changes to the Total Square Footage.

3.2 CFD Annexation. Developer shall annex the Property into the Master CFD No. 2018-01. Based on an analysis of the Services needed for the Project, Developer agrees the Property will be taxed initially at the rate in effect at the time of annexation for "Industrial – All Other." The rate in effect for the period of July 1, 2023, through June 30, 2024, is Five Hundred Eighty-Eight Dollars and Ninety-Four Cents (\$588.94) per acre on an annual basis, which means the Property's special taxes would initially be Eight Thousand Four Hundred Ninety-Two Dollars and Fifty-Two Cents (\$8,492.52) annually (calculated as 14.42 x \$588.94) if annexation occurs during said time period. The CFD tax rates/amounts for the Project shall be adjusted as described in Section 3.2(b) below. Developer acknowledges that there is an impact on the Services provided by the City in connection with its Project. Developer agrees to become subject to the Property's special taxes, which will help finance on-going Services associated with the Project.

a. **Timing of CFD Annexation.** Developer shall annex the Property into the Master CFD prior to issuance of any building permits for the Project. The initial tax rate shall be that in effect at the time of annexation, and the rate shall increase annually as described in subsection (b), below.

b. **Tax Rate Adjustments.** On July 1, 2024, the Maximum Special Tax Rate for the applicable tax zone (which applies to the Property) shall be increased by 7%. On

each July 1, commencing on July 1, 2025, and thereafter, the Maximum Special Tax Rate for such tax zone shall be increased by the percentage change in the November annualized Consumer Price Index for Los Angeles-Long Beach-Anaheim for all Urban Consumers.

3.3 Community Public Benefits and Fees. In consideration for City's allowance for Developer to develop the Project, Developer shall provide City with the following community public benefits and fees:

a. **Overcoming Constraint of Remediation Cost.** The Property is identified as having been the former Gardena Valley Landfill Nos. 1 & 2, which accepted wastes similar to other former landfills in the immediate area that now have documented soil and groundwater contamination from metals and volatile and semi-volatile organics; therefore, the Property likely has similar contamination. The Gardena Valley Landfill Nos. 1 & 2 operated from 1956 until 1959 and accepted approximately 75% residential municipal waste and 25% construction or industrial wastes. The industrial wastes allowed included crude oil-related wastes (crude oil and tank bottoms), paint sludge, auto wash sludge, latex, molasses, cutting oil, and other semi-liquids. The average thickness of the waste materials was found to be approximately 25 feet. The former landfill was capped with approximately 5 feet of soil. Despite years of efforts by prior developers to develop the Property, all have failed to date because it has not been financially feasible due to the substantial environmental remediation costs required to develop the former landfill. Accordingly, the Project represents a unique opportunity to develop this Property and remediate the underlying soil and groundwater issues afflicting it. The City finds that this Agreement that authorizes development of the Property serves a significant public purpose by providing the pathway for cleanup of the impacts from the former landfill and yields beneficial development thereon. The Developer as property owner, in coordination with the City, has previously been pursuing, and intends to continue to pursue, remediation and restoration efforts subject to and in accordance with DTSC oversight and regulation, at the Developer's sole expense.

b. **Financial Contributions.** Developer shall provide a financial contribution to the City per Building for a total payment equal to One Million Three Hundred Fifty Thousand Dollars (\$1,350,000.00) (the "**Community Benefits Fee**"), to be used for any of the following purposes, in the City's discretion:

(i) **Infrastructure and Beautification:** Funding for infrastructure and beautification improvements in the vicinity of the Project as determined by the City;

(ii) **Capital Improvement Project ("CIP"):** Any CIP project(s) in the vicinity of the Project as identified by City; and/or

(iii) **Public Art:** Funding for the City's Public Art fund for City to implement public art features in the vicinity of the Project, as determined by City.

c. **Timing of Payment.** The Community Benefits Fee shall be calculated and paid, Building-by-Building, prior to issuance of a building permit for each Building. The portion of the Community Benefits Fee due before issuance of a building permit for a Building shall be equal to the product of (i) \$1,350,000 and (ii) the quotient of the total

gross square footage of the Building (“Building Square Footage”) and Total Square Footage (*i.e.*, \$1,350,000 * (Building Square Footage / Total Square Footage)).

3.4 Multi-Tenant Industrial Park. Developer shall be responsible to demonstrate that the Project can function as a multi-tenant industrial park. Prior to the issuance of building permits for any of the Buildings constructed on the Property, Developer shall submit plans to the City for review and approval demonstrating the foregoing, consistent with the specifications described below. The plans must provide that the Buildings will be constructed as follows, and the Buildings shall be constructed and thereafter maintained accordingly for so long as the Project is in operation/existence except as otherwise provided in this Agreement:

a. The Project shall be developed and maintained in the manner set forth in Recital D (The Project) above, including Exhibit “B.”

b. Each separate Tenant Suite described in Recital D above, including Exhibit “B,” shall have its own Truck Doors as specified in Recital D (*i.e.*, maximum of five per Tenant Suite).

c. Each tenant or affiliated entity may only occupy one Tenant Suite within the Project for the same operation at any given time. This provision shall survive any earlier termination or expiration of this Agreement.

d. The Parties agree that City shall have the right to inspect the Project site and all Building/Unit areas upon 48 hours prior written notice to Developer for the purpose of ensuring compliance with this Agreement, including the provisions of this Section 3.4. This provision shall remain in effect for so long as the Project remains in existence/operation.

e. If Developer violates any provision of this Section 3.4, then City may issue a Default Notice pursuant to Sections 7.2 of this Agreement. Additionally, if the Default Notice entails (i) the removal of the partition wall between Tenant Suites, (ii) the installation of a door or other entry in such partition wall to use multiple Tenant Suites for the same operation, or (iii) a tenant operating the same operation in more than one Tenant Suite (as opposed to a tenant operating two different operations in separate Tenant Suites), and if Developer subsequently fails to timely cure the default by correcting the violation in accordance with the Default Notice, then in addition to any other remedies available to the City, liquidated damages in the amount of five hundred dollars (\$500.00) per day shall be assessed for each day of the delay, commencing from the date Developer fails to timely cure the default by correcting the violation in accordance with the Default Notice, and continuing until the violation is corrected, notwithstanding any termination or expiration of this Agreement. The Parties acknowledge and agree that if Developer commits such a violation, or fails to cure any such violation in a timely manner, the City and its residents will suffer damages as the violations will tend to adversely impact the surrounding areas, and that it is and will be impractical and extremely difficult to ascertain and determine the exact number of damages that the City and its residents will suffer. Therefore, the Parties agree that the liquidated damages established herein represent a reasonable estimate of the amount of such damages for such specific violations, considering all of the circumstances existing on the date of this Agreement, including the relationship of the sums to the range of harm to City that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or impractical. This provision shall survive any termination or

expiration of this Agreement. In placing their initials at the places provided, each Party specifically confirms the accuracy of the statements made above and the fact that each Party has had ample opportunity to consult with legal counsel and obtain an explanation of these liquidated damage provisions prior to entering this Agreement:

Developer Initials _____

City Initials _____

f. Prior to approval of any initial or subsequent use, occupancy, or tenant improvements for the Project or any Tenant Suite, the Director shall ensure all of the above measures have been implemented for each Tenant Suite.

3.5 Conditions of Use. For so long as the Project is in operation/existence, Developer, and all future tenants of any of the Units shall comply with all the following:

a. No Class 7+ Vehicle movements to and from the Property shall be allowed on Del Amo east of Main Street;

b. No Class 7+ Vehicle movements to the Property from Avalon Blvd., or to Avalon Blvd. from the Property, shall be allowed; and

c. Hours of operation for the Project will be generally permitted 24 hours per day. However, onsite outdoor activities and outdoor operations for the Buildings located on the easterly third of the Property (anticipated to be Building 3) shall be restricted to the hours of 6:00 a.m. to 10:00 p.m.

d. Restrictions related to use of Project driveways by, and site access and circulation of, Class 7+ Vehicles shall be as set forth in SP No. 25-21 and the Conditions of Approval.

In exchange for these benefits to City and the other public benefits and obligations described herein, Developer desires to receive the assurance that it may proceed with development of the Project in accordance with the terms and conditions of this Agreement, including Developer's Vested Right as specified herein.

4. DEVELOPMENT OF THE PROPERTY.

4.1 Scope of Developer's Vested Right. Subject to the Reservation of Authority set forth in Article 5, Developer shall have the vested right to develop the Project to the full extent permitted under the Applicable Laws and this Agreement ("**Developer's Vested Right**"). The "**Applicable Laws**" consist of the following:

a. The Project Development Approvals.

b. The Existing Land Use Regulations.

c. Subsequent Development Approvals.

d. Those Subsequent Land Use Regulations to which Developer has agreed in writing.

4.2 Effect of Agreement on Land Use Regulations. Except as otherwise provided under the terms of this Agreement, the rules, regulations and official policies governing permitted uses of the Property, the density and intensity of use of the Property, the maximum height and size of proposed Buildings, and the design, improvement and construction standards and specifications applicable to the Development of the Property, shall be as set forth in the Existing Land Use Regulations which were in full force and effect as of the Effective Date of this Agreement, subject to the terms of this Agreement.

4.3 Rights under State and Federal Law. Developer shall retain all rights it has under state and federal law, including, but not limited to, Developer's rights under Government Code Section 65865.2, which provides that subsequent discretionary actions shall not prevent development of the Property for the uses and to the density or intensity of development set forth in this Agreement.

4.4 Apportionment. Developer shall have the right to apportion the uses, intensities, and densities of the Project between itself and any subsequent owners, upon the sale, transfer, or assignment of all or any portion of the Property in accordance with Section 11 (Assignment), so long as such apportionment is consistent with the Applicable Laws and this Agreement.

4.5 Lesser Development. Without amending this Agreement, Developer shall have the right to elect to develop and construct upon all or any portion of the Property a Project of lesser height or building size than that permitted by the Project Development Approvals provided that the Project otherwise complies with the Project Development Approvals and this Agreement.

4.6 Project Development Approvals; Subsequent Development Approvals. The Project Development Approvals for the Project may require the processing of Subsequent Development Approvals. Subject to the provisions of Section 4.7 below, the City shall accept for processing, review, and action all applications for Subsequent Development Approvals, and such applications shall be processed in the normal manner for processing such matters in accordance with the Existing Land Use Regulations. The Parties acknowledge that subject to the Existing Land Use Regulations, under no circumstances shall City be obligated in any manner to approve any Subsequent Development Approval, or to approve any Subsequent Development Approval with or without any particular condition. However, except as otherwise provided in Section 12.4 (Minor Modifications), City shall not, without good cause, amend or rescind any Subsequent Development Approvals respecting the Property after such approvals have been granted by the City. Processing of Subsequent Development Approvals or changes in the Project Development Approvals made pursuant to Developer's application shall not require an amendment to this Agreement, except as otherwise provided in Article 12 (Amendment and Modification). This Agreement shall not prevent City from denying or conditionally approving any application for a Subsequent Development Approval on the basis of the Existing Land Use Regulations. Upon approval of any Subsequent Development Approval, such Subsequent Development Approval shall be deemed part of the Applicable Laws pursuant to the provisions of this Agreement, without any further action by City or Developer being required. Upon substantial completion of a Building to the satisfaction of the Building Official, the City will issue a temporary certificate of occupancy or its equivalent for such Building. The temporary certificate of occupancy will be issued by the City upon substantial completion of a Building to the satisfaction of the Building Official, irrespective of whether other portions of the Project or offsite work remain incomplete, provided (i) the construction areas for all such uncompleted portions of the Project are safely separated from

the substantially completed Building(s) to the satisfaction of Building Official, and (ii) all uncompleted offsite Project work has either been bonded for or the funding relating thereto is otherwise secured. Upon final completion of a Building to the satisfaction of the Building Official, the City will issue a certificate of occupancy for that particular Building.

4.7 Role of Project Development Approvals. Except as otherwise provided within this Agreement, including, without limitation, Sections 4.5 and 4.6 hereof, the Project Development Approvals shall exclusively control the uses of the Property, the density or intensity of use, the maximum height and size of proposed Buildings, the provisions for reservation or dedication of land for public purposes and the design, improvement, and construction standards and specifications applicable to the Project.

4.8 Moratorium. Notwithstanding any other provision of this Agreement except for City's Reservation of Authority in Article 5, no future amendment of any existing City ordinance or resolution or any subsequent ordinance, resolution, or moratorium, enacted either by the City Council or by voter approved initiative, that purports to impose or result in a limitation on the Project, imposed by City, shall apply to govern, or regulate the Project or development or use of the Property during the Term. In the event of any such subsequent action by City, Developer shall continue to be entitled to apply for and receive Development Approvals in accordance with the Existing Land Use Regulations, subject only to the exercise of the City's Reservation of Authority set forth herein.

4.9 Maintaining Property. The Property must at all times be maintained and generally kept in a clean condition by Developer, in accordance with the City's Municipal Code provisions related to property maintenance and/or public nuisances, subject to any Assignment pursuant to Article 11 of this Agreement.

4.10 Energy Efficient and Sustainable Building Design. All Project Buildings shall promote sustainable and energy efficient practices through compliance with California Code of Regulations, Title 24, which shall include, without limitation, the following:

a. **Lighting.** All buildings shall implement a combination of sky lights and solar PV infrastructure to comply with California Code of Regulations, Title 24. Any rooftop not covered with solar shall be structurally designed to accommodate solar in the future. Developer agrees to add more solar arrays in the future as part of the tenant improvement package if the future tenants of the Building requests and could benefit from such additional solar arrays or as additionally required by law.

b. **Charging Stations for Electric Vehicles:** Developer shall provide EV charging and infrastructure that comply with California Code of Regulations, Title 24 to include both the number of EV capable stalls and EV installed stalls at building completion. Developer shall ensure that at least (1) thirty percent (30%) of the vehicle parking stalls are EV capable (i.e., conduit installed), (2) 20% of the 30% EV capable stalls shall be improved with charging equipment and energized at Building shell completion and (3) the initial construction of the Buildings will include infrastructure (conduit and electrical capacity, but not actual charging equipment) to support future truck charging at all loading doors.

4.11 Employment Outreach for Local Residents. A goal of the City with respect to this Project and other major projects within the City is to foster employment opportunities for Carson residents. To that end, Developer covenants that with respect to the construction of the Project, the Developer shall host two job fairs, include a clause in its subcontractor bid request package indicating the number of Carson residents that will be utilized, and make other reasonable efforts to cause all solicitations for full or part-time, new or replacement, employment relating to the construction of the Project to be advertised in such a manner as to target local City residents and shall make other reasonable efforts at local employment outreach as the City shall approve. Developer shall endeavor to notify the City of jobs available at the Project such that the City may inform City residents of job availability at the Project. Developer has informed its contractors of the goal to hire Carson residents to work on the Project. Nothing in this paragraph shall require Developer to offer employment to individuals who are not otherwise qualified for such employment. Without limiting the generality of the foregoing, the provisions of this Section 4.11 are not intended, and shall not be construed, to benefit or be enforceable by any person whatsoever other than City.

4.12 Prevailing Wages. Developer's cost of developing the Project and constructing all of the on-site and off-site improvements, if any, at or about the Property required to be constructed for the Project shall be borne by Developer. Developer is aware of the laws of the State governing the payment of prevailing wages on public projects and will comply with same and will defend, hold harmless, and indemnify City in the event Developer fails to do so. As the City is not providing any direct or indirect financial assistance to Developer, the Project should not be considered to be a "public work" "paid for in whole or in part out of public funds," as described in California Labor Code Section 1720. Accordingly, it is believed by the parties that Developer is not required to pay prevailing wages in connection with any aspect of the Development or the construction of the Project. However, to the extent that (contrary to the parties' intent) it is determined that Developer was required to pay prevailing wage and has not paid prevailing wages for any portion of the Project, Developer shall defend, indemnify, and hold the City (which, for purposes of this section, shall include its related agencies, officers, employees, agents and assigns) 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 failed to pay prevailing wages in connection with the construction of the Project. City shall reasonably cooperate with Developer regarding any action by Developer hereunder challenging any determination that the Project is subject to the payment of prevailing wages. Notwithstanding the foregoing, the City retains the right to settle or abandon the matter without Developer's consent as to the City's liabilities or rights only (and for the avoidance of doubt, any such settlement or abandonment shall not adversely impact Developer's rights hereunder), but should it do so, City shall waive the indemnification herein provided such waiver occurs prior to the issuance of any judgment in the matter.

4.13 Timing of Building Permit Issuance; Effect on CUP No. 1108-21 and DOR No. 1854-21. Notwithstanding Carson Municipal Code Section 9172.21(H)(1)(a), Carson Municipal Code Section 9172.23(I)(1)(a), and SP No. 25-21, neither CUP No. 1108-21 nor DOR No. 1854-21 shall be subject to expiration based on failure of any building permits to issue within two years of their approval or effectiveness or by any other date that is prior to the expiration or termination of this Agreement.

5. CITY'S RESERVATION OF AUTHORITY.

Notwithstanding Developer's Vested Right, the Project is subject to the following Subsequent Land Use Regulations:

5.1 City's Discretion Under Applicable Laws. In considering future applications, if any, for a Subsequent Development Approval, the City may exercise its regulatory discretion to the extent permitted by the Applicable Laws.

5.2 Uniform Codes. Changes adopted by the International Conference of Building Officials, or other similar body, as part of the then most current versions of the Uniform Building Code, Uniform Fire Code, Uniform Plumbing Code, Uniform Mechanical Code, or National Electrical Code, or other such Uniform Codes, and also adopted by City as Subsequent Land Use Regulations, but only if applicable City-wide.

5.3 Emergencies. Emergency rules, regulations, laws, and ordinances within the City's police power that would limit the exercise of Developer's Vested Right ("**Conflicting Emergency Regulations**"), provided that the Conflicting Emergency Regulations:

- a. Result from a sudden, unexpected emergency declared by the President of the United States, Governor of California, County Board of Supervisors and applicable to incorporated areas, including the City, or the City Council;
- b. Address a clear and imminent danger, with no effective reasonable alternative available that would have a lesser adverse effect on Developer's Vested Right;
- c. Do not primarily or disproportionately impact the development of the Project; and
- d. Are based upon findings of necessity established by a preponderance of the evidence at a public hearing.

5.4 Laws of Other Jurisdictions. Other public agencies not subject to control by City may possess authority to regulate aspects of the Project. This Agreement does not limit the authority of such other public agencies. Therefore:

- a. Federal, state, county, and multi-jurisdictional laws and regulations (the "**Additional Regulations**"), including regional impact fees, which City is required to enforce against the Property or the Project, except if the Additional Regulations are for the purpose of mitigating a significant or potentially significant impact that has already been mitigated pursuant to the Project's Mitigated Negative Declaration.
- b. If an Additional Regulation is enacted after the Effective Date and prevents or precludes compliance with one or more of the provisions of this Agreement, those provisions shall be modified or suspended as may be necessary to comply with the Additional Regulation. In that event, this Agreement shall remain in full force and effect to the extent it is not inconsistent with the Additional Regulation and to the extent that the suspension or modification necessitated by the Additional Regulation does not deny one of the Parties its primary benefits under this Agreement.

c. Developer shall apply in a timely manner for such other permits and approvals that are lawfully required by other governmental or quasi-governmental agencies in order to allow the Project to be constructed. City shall provide Developer reasonable cooperation in Developer's efforts to obtain such permits and approvals. The Parties shall cooperate and use reasonable efforts in coordinating the implementation of the Development with other public agencies, if any, having jurisdiction over the Property or the Project.

5.5 Modification or Suspension by Federal or State Laws. In the event that Federal or State laws or regulations, enacted after the Effective Date of this Agreement, prevent or preclude compliance with one or more of the provisions of this Agreement, such provisions of this Agreement shall be modified or suspended as may be necessary to comply with such Federal or State laws or regulations, and this Agreement shall remain in full force and effect to the extent it is not inconsistent with such laws or regulations and to the extent such laws or regulations do not render such remaining provision impractical to enforce.

5.6 Fees, Taxes, and Assessments.

a. **Processing Fees.** The Developer shall pay all processing fees and charges of every kind and nature imposed by City to cover the estimated actual costs to City of processing applications for Project Development Approvals, including but not limited to, City Attorney fees incurred by City for the review, preparation and negotiation of the Entitlements, inclusive of this Agreement, at a rate of \$495 per hour for partners and \$425 per hour for associates, and for monitoring compliance with any Project Development Approvals granted or issued, in accordance with the Reimbursement and Indemnification Agreement entered into by and between the Parties effective May 12, 2023, and as the same may be amended from time to time by mutual agreement of the Parties.

b. **Permit Fees.** Except as expressly provided in this Agreement, Developer shall pay all standard permit fees and other fees and charges which are standard and uniformly-applied to similar projects in the City.

c. **General Charges.** Nothing herein shall prohibit the application of the following, if lawfully imposed upon the Property:

(i) **Additional Taxes, Fee, and Charges.** Developer, or Developer's Project occupants, shall pay all normal and customary taxes, fees, and charges applicable to all permits necessary for the Project, and any taxes, fees, and charges hereafter imposed by City, which are standard and uniformly-applied to similar properties in the City.

(ii) Developer, or Developer's Project occupants, shall be obligated to pay any fees or taxes, and increases thereof, imposed on a City-wide basis such as business license fees or taxes, sales or use taxes, transient occupancy taxes, utility taxes, and public safety taxes;

(iii) Developer, or Developer's Project occupants, shall be obligated to pay any future fees or assessments imposed on an area-wide basis (such as

landscape and lighting assessments and community services assessments including but not limited to the Master CFD/Property's special taxes);

(iv) Developer, or Developer's Project occupants, shall be obligated to pay any fees imposed pursuant to any assessment district or taxes imposed pursuant to a community facilities district such as the special taxes of the Master CFD established within the Project as of the date hereof or otherwise proposed or consented to by Developer;

(v) Developer, or Developer's Project occupants, shall be obligated to pay any fees imposed pursuant to any Uniform Code.

(vi) Developer, or Developer's Project occupants, shall be obligated to pay any utility fees and charges, including amended rates thereof, for City services such as electrical utility charges, water rates, and sewer rates.

5.7 Inconsistencies. It is expressly agreed that in the event of any inconsistency between the provisions or conditions of the Existing Land Use Regulations or the Project Development Approvals and the provisions of this Agreement, the provisions of this Agreement shall govern, except that any more restrictive Conditions of Approval shall prevail, subject to Section 12.4. The provisions of such Existing Land Use Regulations and/or Project Development Approvals shall be interpreted insofar as possible to prevent such inconsistency, and in the event this Agreement is silent concerning an issue, the provisions of the Existing Land Use Regulations and Project Development Approvals shall govern. As between the several instruments and regulations governing the Project, in the event of a clear and explicit conflict which cannot be resolved through interpretation, the following interpretive priorities shall apply: (i) the terms of this Agreement shall prevail over the provisions of the Existing Land Use Regulations and the Project Development Approvals except where the Conditions of Approval are more restrictive, in which event the Conditions of Approval shall prevail; (ii) the terms of the Project Development Approvals shall prevail over the terms of the Existing Land Use Regulations, except where such Existing Land Use Regulations are legally preemptive; and (iii) the terms of the Project Development Approvals shall take priority over the provisions of the CEQA instruments and MND approved in conjunction with the Project, except where the MND is legally preemptive.

6. ANNUAL REVIEW.

6.1 Timing of Annual Review. Pursuant to Government Code Section 65865.1, at least once during every twelve (12) month period of the Term, City shall review the good faith compliance of Developer with the terms of this Agreement ("**Annual Review**"). No failure on the part of City to conduct or complete an Annual Review as provided herein shall have any impact on the validity of this Agreement, nor shall it be deemed a breach on the part of Developer. The cost of the Annual Review shall be borne by Developer and Developer shall pay the actual and reasonable costs incurred by the City for such review.

6.2 Standards for Annual Review. During the Annual Review, Developer shall demonstrate good faith compliance with the terms of this Agreement. "**Good faith compliance**" shall be established if Developer is in substantial compliance with the material terms and conditions of this Agreement.

6.3 Procedure. Each party shall have a reasonable opportunity to assert matters which it believes have not been undertaken in accordance with the Agreement, to explain the basis for such assertion, and to receive from the other party a justification of its position on such matters. The procedure for an Annual Review or Special Review shall be as follows:

a. As part of either an Annual Review or Special Review, within ten (10) days of a request for information by the City, the Developer shall deliver to the City all information and supporting documents reasonably requested by City (i) regarding the Developer's performance under this Agreement demonstrating that the Developer has complied in good faith with the terms of this Agreement, and (ii) as required by the Existing Land Use Regulations.

b. The City Manager, or his/her designee, shall prepare and submit to Developer a written report on the performance of this Agreement and identify any perceived deficiencies in Developer's performance of this Agreement. The Developer may submit written responses to the report and Developer's written response shall be included in the City Manager's report. If the City Manager determines that the Developer has substantially complied with the terms and conditions of this Agreement, the Annual or Special Review shall be concluded.

c. If any deficiencies are noted, or if requested by a Councilmember, a public hearing shall be held before the City Council at which the Council will review the City Manager's report. The report to Council shall be made at a regularly-scheduled City Council meeting occurring as soon as possible, subject to the requirements of the Brown Act, after the commencement of the Annual or Special Review process outlined in this Section 6.3. If the City Council finds and determines, based on substantial evidence, that the Developer has not substantially complied with the terms and conditions of this Agreement for the period under review, the City may declare a default by the Developer in accordance with Article 7.

d. Neither Party shall be deemed in breach if the reason for non-compliance is due to a "force majeure" as defined in, and subject to the provisions of, Section 13.10.

6.4 Certificate of Agreement Compliance. If, at the conclusion of an Annual Review, Developer is found to be in compliance with this Agreement, City shall, upon written request by Developer, issue a Certificate of Agreement Compliance ("**Certificate**") to Developer stating that after the most recent Annual Review and based upon the information known or made known to the City Manager, Planning Commission, and City Council that (i) this Agreement remains in effect and (ii) Developer is in compliance. The Certificate, whether issued after an Annual Review or Special Review, shall be in recordable form, and shall contain information necessary to communicate constructive record notice of the finding of compliance. Developer shall at its cost record the Certificate with the County Recorder. Additionally, Developer may at any time request from the City a Certificate stating, in addition to the foregoing, which obligations under this Agreement have been fully satisfied with respect to the Property, or any lot or parcel within the Property.

6.5 Review Process Not a Prerequisite to Declaring a Default. Neither the Annual Review nor Special Review procedure is a prerequisite to either Party declaring a default and

initiating the default and cure procedure in Article 7. In other words, either Party may declare a default at any time without first undertaking the Annual Review or Special Review process.

6.6 Public Hearings. The public hearing prescribed by Section 6.3 is independent of, and in addition to, any further hearing procedures relating to defaults and remedies prescribed in Article 7 below. Thus, if the City Council finds that the Developer has not substantially complied with the terms and conditions of this Agreement as part of a review process pursuant to Section 6.4 and determines to declare a default, the City Council is still required to follow the notice/cure process (Section 7.2) and the termination hearing process (Section 7.4) before terminating this Agreement.

7. DEFAULTS AND REMEDIES.

7.1 Remedies Available. The Parties acknowledge and agree that other than the termination of this Agreement pursuant to Article 7, specific performance, injunctive and declaratory relief are the only remedies available for the enforcement of this Agreement and knowingly, intelligently, and willingly waive any and all other remedies otherwise available in law or equity. Accordingly, and not by way of limitation, and except as otherwise provided in this Agreement, each Party shall not be entitled to any money damages from the other Party by reason of any default under this Agreement (other than specific performance, injunctive and declaratory relief to perform any monetary obligation hereunder). Further, Developer shall not bring an action against City nor obtain any judgment for damages for a regulatory taking, inverse condemnation, unreasonable exactions, reduction in value of property, delay in undertaking any action, or asserting any other liability for any matter or for any cause which existed or which the Developer knew of or should have known of prior to the time of entering into this Agreement, Developer's sole remedies being as specifically provided above. Developer acknowledges that such remedies are adequate to protect Developer's interest hereunder and the waiver made herein is made in consideration of the obligations assumed by the City hereunder.

7.2 Declaration of Default & Opportunity to Cure.

a. **Rights of Non-Defaulting Party after Default.** The Parties acknowledge that both Parties shall have hereunder all legal and equitable remedies as provided by law following the occurrence of a default or to enforce any covenant or agreement herein except as provided in Section 7.1. Before this Agreement may be terminated or action may be taken to obtain judicial relief, the Party seeking relief ("**Non-Defaulting Party**") shall comply with the notice and cure provisions of this Section 7.2.

b. **Notice and Opportunity to Cure.** A Non-Defaulting Party in its discretion may elect to declare a default under this Agreement in accordance with the procedures hereinafter set forth for any failure or breach of the other Party ("**Defaulting Party**") to perform any material duty or obligation of the Defaulting Party under the terms of this Agreement. However, the Non-Defaulting Party must provide written notice to the Defaulting Party setting forth the nature of the breach or failure and the actions, if any, required by the Defaulting Party to cure such breach or failure (the "**Default Notice**"). The Defaulting Party shall be deemed in Default under this Agreement, if the breach or failure can be cured, but the Defaulting Party has failed to take such actions and cure such default within thirty (30) days after the date of such notice or ten (10) days for monetary defaults (or such lesser time as may be specifically provided in this Agreement). However, if such

non-monetary Default cannot be cured within such thirty (30) day period, and if and, as long as the Defaulting Party does each of the following:

- (i) Notifies the Non-Defaulting Party in writing with a reasonable explanation as to the reasons the asserted default is not curable within the thirty (30) day period;
- (ii) Notifies the Non-Defaulting Party of the Defaulting Party's proposed cause of action to cure the default;
- (iii) Promptly commences to cure the default within the thirty (30) day period;
- (iv) Makes periodic reports to the Non-Defaulting Party as to the progress of the program of cure; and
- (v) Diligently prosecutes such cure to completion.

Then the Defaulting Party shall not be deemed in breach of this Agreement.

7.3 Termination Notice. Upon receiving a Default Notice, should the Defaulting Party fail to timely cure any default, or fail to diligently pursue such cure as prescribed above, the Non-Defaulting Party may seek termination of this Agreement, in which case the Non-Defaulting Party shall provide the Defaulting Party with a written notice of intent to terminate this Agreement ("**Termination Notice**"). The Termination Notice shall state that the Non-defaulting Party will elect to terminate this Agreement within thirty (30) days and state the reasons therefor (including a copy of any specific charges of default or a copy of the Default Notice) and a description of the evidence upon which the decision to terminate is based. Once the Termination Notice has been issued, the Non-Defaulting Party's election to terminate this Agreement will only be rescinded if so, determined by the City Council pursuant to Section 7.4.

7.4 Hearing Opportunity Prior to Termination. If Developer is the Defaulting Party pursuant to Section 7.3, then the City's Termination Notice to Developer shall additionally specify that Developer has the right to a hearing prior to the City's termination of any Agreements ("**Termination Hearing**"). The Termination Hearing shall be scheduled as an open public hearing item at a regularly-scheduled City Council meeting within thirty (30) days of the Termination Notice, subject to any legal requirements including but not limited to the Ralph M. Brown Act, Government Code Sections 54950-54963. At said Termination Hearing, Developer shall have the right to present evidence to demonstrate that it is not in default and to rebut any evidence presented in favor of termination. Based upon substantial evidence presented at the Termination Hearing, the Council may, by adopted resolution, act as follows:

- a. Decide to terminate this Agreement; or
- b. Determine that Developer is innocent of a default and, accordingly, dismiss the Termination Notice and any charges of default; or
- c. Impose conditions on a finding of default and a time for cure, such that Developer's fulfillment of said conditions will waive or cure any default.

Findings of a default or a conditional default must be based upon substantial evidence supporting the following two findings: (i) that a default in fact occurred and has continued to exist without timely cure, and (ii) that such default has caused or will cause a material breach of this Agreement and/or a substantial negative impact upon public health, safety and welfare, the environment, or such other interests that the City and public may have in the Project.

7.5 Rights and Duties Following Termination. Upon the termination of this Agreement, no Party shall have any further right or obligation hereunder except with respect to (i) any obligations to have been performed prior to said termination, (ii) any default in the performance of the provisions of this Agreement which has occurred prior to said termination, (iii) the provisions of Sections 3.5 and 3.6 which indicate they shall survive termination by their language or context, (iv) the indemnification provisions of Article 8, and (v) Developer's obligations related to maintenance of professional liability insurance pursuant to Section 9.1(e). Termination of this Agreement shall not affect either Party's rights or obligations with respect to any Development Approval granted prior to such termination.

7.6 Waiver of Breach. By not challenging any Development Approval within ninety (90) days of the action of City enacting the same, Developer shall be deemed to have waived any claim that any condition of approval is improper or that the action, as approved, constitutes a breach of the provisions of this Agreement.

7.7 Interest on Monetary Default. In the event Developer fails to perform any monetary obligation under this Agreement, Developer shall pay interest thereon at the rate of six and one-half percent (6.5%) per annum from and after the due date of said monetary obligation until payment is actually received by City.

8. THIRD PARTY LITIGATION.

8.1 Indemnity Obligations on Third-Party Claims

a. Developer hereby agrees to indemnify, defend, and hold City, its officers, agents, employees, members of its City Council and any commission, partners and representatives ("**City Indemnitees**") harmless from any and all claims, actions, suits, damages, liabilities, and any other actions or proceedings (whether legal, equitable, declaratory, administrative, or adjudicatory in nature) (collectively, "**Claims**"), asserted against City or City Indemnitees arising out of or in connection with this Agreement, including, without limitation, (i) City's approval of this Agreement and all documents related to any of the Project Development Approvals, Conditions of Approval, permits, or other entitlements for the Project and issues related thereto (including, City's determinations regarding CEQA compliance and/or any other development incentives granted to the Project), (ii) the development of the Project, and (iii) liability for damage or claims for damage for personal injury including death and claims for property damage which may arise from, or are attributable to, Developer's (or Developer's contractors, subcontractors, agents, employees or other persons acting on Developer's behalf ("**Developer's Representatives**")) performance of its obligations under this Agreement and/or the negligence or misconduct of Developer or of Developer's Representatives which relate to the Project or the Property.

b. The City shall provide the Developer with notice of the pendency of such Claims within ten (10) days of being served or otherwise notified of such Claims and shall request that the Developer defend such action. The Developer may utilize the City Attorney's office or use legal counsel of its choosing, but shall reimburse the City for any necessary legal cost incurred by City. In all cases, City shall have the right to utilize the City Attorney's office in any legal action. The Developer shall provide a deposit in the amount of 100% of the City's estimate, in its reasonable discretion, of the cost of litigation, including the cost of any award of attorney's fees. If the Developer fails to provide the deposit, and after compliance with the provisions of this Section 8.1, the City may abandon the action and the Developer shall pay all costs resulting therefrom and City shall have no liability to the Developer. The Developer's obligation to pay the cost of the action, including judgment, shall extend until judgment. After judgment in a trial court, the Parties must mutually agree as to whether any appeal will be taken or defended. City agrees that it shall fully cooperate with the Developer in the defense of any matter in which the Developer is defending and/or holding the City harmless.

8.2 Hold Harmless: Developer's Construction, and Other Activities. The Developer shall defend, save and hold the City and its elected and appointed boards, commissions, officers, agents, and employees harmless from any and all claims, costs (including attorneys' fees) and liability for any damages, personal injury or death, which may arise, directly or indirectly, from the Developer's or the Developer's agents, contractors, subcontractors, agents, or employees' Project construction activities and operations under this Agreement, whether such Project construction activities and operations be by the Developer or by any of the Developer's agents, contractors or subcontractors or by any one or more persons directly or indirectly employed by or acting as agent for the Developer or any of the Developer's agents, contractors or subcontractors. Nothing herein shall be construed to mean that the Developer shall hold the City harmless and/or defend it from any claims arising from, or alleged to arise from, the sole negligence or gross or willful misconduct of the City's officers, employees, agents, contractors, or subcontractors.

8.3 Loss and Damage. City shall not be liable for any damage to property of Developer or of others located on the Property, nor for the loss of or damage to any property of Developer or of others by theft or otherwise. City shall not be liable for any injury or damage to persons or property resulting from fire, explosion, steam, gas, electricity, water, rain, dampness or leaks from any part of the Property or from the pipes or plumbing, or from the street, or from any environmental or soil contamination or hazard, or from any other latent or patent defect in the soil, subsurface or physical condition of the Property, or by any other cause of whatsoever nature. Nothing herein shall be construed to mean that the Developer shall bear liability for the sole negligence or gross or willful misconduct of the City's officers, employees, agents, contractors, or subcontractors.

8.4 Non-liability of City Officers and Employees. No official, agent, contractor, or employee of the City shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Developer or to its successor, or for breach of any obligation of the terms of this Agreement.

8.5 Conflict of Interest. No officer or employee of the City shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to this Agreement which affects the financial interest of any corporation,

partnership or association in which he or she is, directly or indirectly, interested, in violation of any state statute or regulation.

8.6 Survival of Indemnity Obligations. All indemnity provisions set forth in this Agreement shall survive expiration or sooner termination of this Agreement for any reason other than a default by City.

9. INSURANCE.

9.1 Types of Insurance; Developer's Environmental Insurance. At its sole cost, Developer shall secure a robust environmental insurance program providing protection to the City and other public entities, developers, property owners and contractors carrying out construction on the Site, including coverage for general liability, bodily injury, property damage and other claims. In connection with the development, operation and use of the Site, Developer shall at all times comply with the DTSC Regulations, as the same may be amended or modified by DTSC from time to time.

a. **Commercial General Liability Insurance.** Prior to commencement and until completion of construction of improvements by Developer on the Property, Developer shall, at its sole cost and expense, keep or cause to be kept in force, for the mutual benefit of City and Developer, comprehensive broad form commercial general liability insurance against claims and liability for personal injury or death arising from the use, occupancy, disuse or condition of the Property, improvements or adjoining areas or ways, affected by such use of the Property or for property damage. Such policy shall provide protection of at least \$5,000,000 for bodily injury or death to any one person, at least \$5,000,000 for any one accident or occurrence, and at least \$5,000,000 for property damage, and \$10,000,000 in the aggregate.

b. **Worker's Compensation.** To the extent Developer and its contractors utilize employees for any portion of the Project, Developer and such contractors shall also furnish or cause to be furnished to City evidence reasonably satisfactory to it that Developer and 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.

c. **Automobile Liability Insurance.** Developer shall ensure that all contractors with whom Developer has contracted for the performance of any work for which Developer is responsible hereunder maintains automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Developer arising out of or in connection with work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$5,000,000 combined single limit for each accident. This automobile liability limit can be satisfied through a combination of primary and excess insurance policies.

d. **Contractor Pollution Liability Insurance.** Contractor shall secure Environmental Impairment Liability Insurance that shall be written on a Contractor's Pollution Liability form or other form acceptable to City providing coverage for liability arising out of sudden, accidental, and gradual pollution and remediation. The policy limit

shall be no less than \$1,000,000 per claim and \$2,000,000 in the aggregate. All activities contemplated in this Agreement shall be specifically scheduled on the policy as “covered operations.” The policy shall provide coverage for the hauling of waste from the project site to the final disposal location, including non-owned disposal sites. In connection with the development, operation and use of the Project, Developer shall at all times comply with the DTSC Regulations, as the same may be amended or modified by DTSC from time to time.

e. **Professional Liability Insurance.** Professional liability insurance appropriate to the profession for any Project design work, as determined by the City’s Risk Manager, provided that the limits shall be no less than \$1,000,000 per claim and no less than \$1,000,000 general aggregate. This coverage may be written on a “claims made” basis, and must include coverage for contractual liability. The professional liability insurance required by this Agreement must be endorsed to be applicable to claims based upon, arising out of, or related to services performed in connection with this Agreement. The insurance must be maintained for at least 5 consecutive years following the completion of the Project or the termination of this Agreement. During this additional 5-year period, Developer shall annually and upon request of the City submit written evidence of this continuous coverage.

f. **Contractors and Subcontractors.** Developer shall ensure that all contractors and sub-contractors maintain the required minimum insurance coverages and shall furnish separate certificates of insurance and endorsements to the City for each of them, or shall include the contractors and subcontractors under Developer’s insurance. Contractors and subcontractors shall name the City and Developer as additional insureds under their required insurance coverages.

9.2 Insurance Policy Form, Sufficiency, Content, and Insurer. All insurance required by express provisions hereof shall be carried only by responsible insurance companies licensed and admitted to do business by California, rated “A” or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VIII or better, unless waived by City. All such policies shall be non-assessable and shall contain language, to the extent obtainable, to the effect that (i) any loss shall be payable notwithstanding any act of negligence of City or Developer that might otherwise result in the forfeiture of the insurance, (ii) the insurer waives the right of subrogation against City and against City’s agents and representatives; (iii) the policies are primary and noncontributing with any insurance that may be carried by 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 copies of certificates evidencing the insurance. City shall be named as an additional insured on Developer’s commercial general liability, environmental/pollution liability, and automobile liability insurance policies. Moreover, the insurance policy must specify that where the primary insured does not satisfy the self-insured retention, any additional insured may satisfy the self-insured retention.

9.3 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 endorsements required hereunder together with evidence satisfactory to City of

payment required for procurement and maintenance of each policy within the following time limits:

- a. For insurance required above, within thirty (30) days after the Effective Date.
- b. For any renewal or replacement of a policy already in existence, at least ten (10) days before the expiration or termination of the existing policy.
- c. If Developer fails or refuses to procure or maintain insurance as required hereby or fails or refuses to furnish City with required proof that that insurance has been procured and is in force and paid for, such failure or refusal shall be a default hereunder.

9.4 Waiver of Subrogation. Developer agrees that it shall not make any claim against, or seek to recover from City or its agents, servants, or employees, for any loss or damage to Developer or to any person or property, except as specifically provided hereunder and Developer shall give notice to any insurance carrier of the foregoing waiver of subrogation, and obtain from such carrier, a waiver of right to recovery against City, its agents, and employees.

9.5 Broader Coverages and Higher Limits. Notwithstanding anything else herein to the contrary, if Developer maintains broader coverages and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverages and/or higher limits maintained by Developer.

10. MORTGAGEE PROTECTION.

10.1 The parties agree that this Agreement shall not prevent or limit Developer, in any manner, at Developer's sole discretion, from encumbering the Property or any portion thereof or any improvement thereon by any mortgage, deed, of trust or other security device securing financing with respect to the Property. City acknowledges that the lenders providing such financing may require certain Agreement interpretations, modifications, and estoppel certificates and City agrees upon request, from time to time, to communicate and meet with Developer and representatives of such lenders to negotiate in good faith any such estoppel certificates and/or requests for interpretation or modification. Subject to compliance with applicable laws, City will not unreasonably withhold its consent to any such requested estoppel certificate, interpretation or modification provided City determines such estoppel certificate, interpretation or modification is consistent with the intent and purposes of this Agreement. Any Mortgagee of the Property shall be entitled to the rights and privileges set forth in this Article 10.

10.2 Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish, or impair the lien of any mortgage on the Property made in good faith and for value, unless otherwise required by law.

10.3 The Mortgagee of any Mortgage or deed of trust encumbering the Property, or any part thereof, where Mortgagee has submitted a request in writing to the City in the manner specified herein for giving notices, shall be entitled to receive written notification from City of any default by Developer in the performance of Developer's obligations under this Agreement.

10.4 If City timely receives a request from a Mortgagee requesting a copy of any notice of default given to Developer under the terms of this Agreement, City shall provide a copy of that notice to the Mortgagee within ten (10) days of sending the notice of default to Developer. The Mortgagee shall have the right, but not the obligation, to cure the default during the period that is the longer of (i) the remaining cure period allowed such party under this Agreement, or (ii) sixty (60) days.

10.5 Any Mortgagee who comes into possession of the Property, or any part thereof, pursuant to foreclosure of the Mortgage or deed of trust, or deed in lieu of such foreclosure, shall take the Property, or part thereof, subject to the terms of this Agreement.

11. ASSIGNMENTS.

11.1 The experience, knowledge, capability and reputation of Developer, its principals, employees, and affiliates were a substantial inducement for the City to enter into this Agreement. The Developer may sell, transfer, lease or assign this Agreement, in whole or in part, the Property, or any part thereof (such sale, transfer, lease or assignment shall be referred to as an “**Assignment**”) with the prior written consent of the Director or City Manager, which consent may not be unreasonably withheld, after providing reasonable documentation and evidence demonstrating that the person or entity to whom any of the rights or privileges granted herein are to be sold, transferred, leased, assigned, hypothecated, encumbered, merged, or consolidated, meets the following criteria: (i) the transferee has the financial strength and capability to perform its obligations under the Agreement, (ii) reasonably satisfactory evidence that the transferee has the experience and expertise to operate the Project, including reasonably satisfactory evidence that the transferee has experience with operations and projects with a similar scale of this Project; and (iii) reasonably satisfactory evidence that the transferee’s key principals have no felony convictions. The proposed transferee shall execute and deliver to the City an assumption agreement assuming Developer’s Project obligations, which assumption agreement shall be in a form approved by the City Manager and City Attorney.

11.2 City Consideration of Requested Assignment. The City agrees that it will not unreasonably withhold, condition, or delay approval of a request for approval of an Assignment required pursuant to this Article 11, provided that:

a. Developer delivers written notice to the City requesting that approval prior to the completion of the Assignment (the “**Consent Request**”); and

b. The Assignment is not completed until either (i) City has provided its written consent or (ii) thirty (30) days have passed after delivery by Developer to City of the Consent Request without the City having rejected the Consent Request in writing.

c. The Consent Request shall be accompanied by (i) a proposed draft of the Assignment and Assumption Agreement described in Section 11.3, in a form acceptable to the City Attorney and City Manager, and (ii) evidence regarding the proposed assignee’s development and/or operational qualifications and experience and its financial commitments and resources in sufficient detail to enable the City to evaluate the proposed assignee’s ability to complete the Project.

11.3 Assignments Permitted Without City's Consent. Notwithstanding any other provision of this Agreement, Assignments related to the following property conveyances and other transactions shall not require City consent:

- a. The granting of easements or permits to facilitate construction of the Project or any public improvements.
- b. The granting of easements or permits for utility purposes.
- c. Transactions for financing purposes, including the grant of a deed of trust to secure the funds necessary, but not to exceed the amounts reasonably required, for land acquisition, construction, and/or permanent financing of any portion of the Project.
- d. The acquisition of some or all of the Property by a Mortgagee in its capacity as a Mortgagee, such as through foreclosure or a deed in lieu of foreclosure.
- e. 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.
- f. A sale or transfer between members of the same family, or transfers to a trust, testamentary or otherwise, in which the beneficiaries consist primarily of family members of the trustor, or transfers to a corporation or partnership in which the family members or shareholders of the transferor own at least ten percent (10%) of the present equity ownership and/or at least fifty percent (50%) of the voting control of Developer.
- g. If Developer is a trust, corporation, real estate investment trust, or partnership, a transfer of stock or other interests, provided there is no material change in the actual management and control of Developer.
- h. Transactions with any member, partner, officer, employee, or affiliate of Developer or any trust or family member, provided that, following the transaction, the management of Developer on the Effective Date shall, subject to normal and customary business practices and personnel changes, remain the primary Developer representative(s) for purposes of communication with the City.

11.4 Effect of Assignment. Unless otherwise stated within the Assignment, upon an Assignment:

- a. The assignee shall be liable for the performance of all remaining obligations of Developer with respect to those portions of the Property which are transferred (the “**Transferred Property**”), but shall have no obligations with respect to any portions of the Property not conveyed (the “**Retained Property**”).

b. The owner of the Retained Property shall be liable for the performance of all obligations of Developer with respect to the Retained Property, but shall have no further obligations with respect to the Transferred Property.

c. The Assignee's exercise, use, and enjoyment of the Transferred Property shall be subject to the terms of this Agreement to the same extent as if the Assignee were the Developer.

12. AMENDMENT AND MODIFICATION.

12.1 Initiation of Amendment. Either Party may propose an amendment to this Agreement or the Project Development Approvals.

12.2 Procedure and Requirements for Amendments to Development Agreement. The procedure and requirements for proposing and adopting any amendment to this Agreement shall be the same as the procedure required for entering into this Agreement in the first instance as set forth in Government Code Section 65867 and 65868. City will process any amendment to this Agreement consistent with state law and will hold public hearings thereon if so, required by state law, and the Parties expressly agree nothing herein is intended to deprive any party or person of due process of law. Except as expressly set forth in any such amendment, an amendment to this Agreement will not alter, affect, impair, modify, waive, or otherwise impact any other rights, duties, or obligations of either Party under this Agreement.

12.3 Consent. Except as expressly provided in this Agreement, no cancellation of or amendment to all or any provision of this Agreement shall be effective unless set forth in writing and signed by duly authorized representatives of each of the parties hereto and recorded in the Official Records of Los Angeles County.

12.4 Administrative Minor Project Modifications. Notwithstanding Section 12.2 and any other provision and/or Condition of Approval contained in any Project Development Approvals, minor modifications to the Project Development Approvals, the Subsequent Development Approvals, and/or the Development Plan(s) shall be made ministerially, with the administrative approval of the Director. The determination of whether a requested or proposed modification constitutes a minor modification shall be made by the Director in his or her sole discretion, except that modifications meeting any of the following criteria shall not be deemed to constitute minor modifications: (i) modifications that change the proposed uses analyzed in the MND; (ii) modifications that increase the Total Square Footage of the Project beyond 314,067 square feet as, under the General Plan, the Project cannot exceed 0.5 FAR (i.e., 314,067 square feet); (iii) modifications that increase the gross floor area of industrial space in any Building beyond the square footages specified in Exhibit "B," by more than five percent (5%) as long as the total square footage of industrial space for the Project is not increased beyond the square footage specified in Exhibit "B"; (iv) modifications that render the Project inconsistent with SP No. 25-2022, the General Plan, or any other Entitlement; (v) modifications that remove or modify any of the independent fire life safety system requirements for any of Buildings; (vi) modifications that increase the number of Truck Doors beyond the five-door maximum specified in Recital D for any Tenant Suite; (vii) modifications that increase Building heights within the Property in comparison to what is identified on the Development Plan(s) by more than ten percent (10%); (viii) modifications that reduce the number of parking stalls as depicted on the Development Plan(s) by more than ten percent (10%) without a proportional reduction in Building size; and (ix)

modifications that involve a deviation of architectural designs or details that is not in substantial conformance with the Development Plan(s).

13. MISCELLANEOUS PROVISIONS.

13.1 Recordation. The City Clerk shall cause a copy of this Agreement to be recorded against the Property with the County Recorder within ten (10) calendar days after the Execution Date. The failure of the City to sign and/or record this Agreement shall not affect the validity of this Agreement.

13.2 Notices. Notices and correspondence required or permitted by this Agreement shall be in writing and either personally delivered or sent by registered, certified, or overnight mail or delivery service. Notices shall be deemed received upon personal delivery or on the second business day after registered, certified, or overnight mailing or delivery, or email if such email notice is acknowledged as received by the receiving party. Notices shall be addressed as follows:

To City: City of Carson
701 East Carson Street
Carson, California 90745
Attn: Planning Manager

With copy to: Aleshire & Wynder
18881 Von Karman Avenue, Suite 1700
Irvine, CA 92612
Fax: 949-223-1180
Attn: Sunny Soltani

To Developer: Carson Main Street, LLC
150 S. 5th Street, Suite 2675
Minneapolis, MN 55402
Attn: Asset Manager

With copy to: Allen Matkins Leck Gamble Mallory & Natsis, LLP
2010 Main Street, Eighth Floor
Irvine, CA 92614
Attn.: Matthew Fogt
mfogt@allenmatkins.com

A Party may change its address by giving written notice to the other Party. Thereafter, Notices shall be addressed and transmitted to the new address.

13.3 Estoppel Certificates. Either Party (or a Mortgagee) may at any time deliver written notice to the other Party requesting an Estoppel Certificate stating:

a. The Agreement is in full force and effect and is a binding obligation of the Parties;

b. The Agreement has not been amended or modified or, if so amended, identifying the amendments; and

c. There are no existing defaults under the Agreement to the actual knowledge of the Party signing the Estoppel Certificate.

A Party receiving a request for an Estoppel Certificate shall provide a signed certificate to the requesting Party within thirty (30) days after receipt of the request. The City Manager may sign Estoppel Certificates on behalf of the City. An Estoppel Certificate may be relied on by assignees and Mortgagees.

13.4 Project as a Private Undertaking. It is specifically understood and agreed by the Parties that the Project is a private development, that neither Party is acting as the agent of the other in any respect, and that each Party is an independent contracting entity with respect to this Agreement. The only relationship between City and Developer is that of a government entity regulating the development of property owned by a private party. City agrees that by its approval of, and entering into, this Agreement that it is not taking any action which would transform this private Development into a “public work” project, and that nothing herein shall be interpreted to convey upon Developer any benefit which would transform Developer’s private project into a public work project, it being understood that this Agreement is entered into by City and Developer upon the exchange of consideration described in this Agreement, including the Recitals to this Agreement, and that City is receiving by and through this Agreement the full measure of benefit in exchange for the burdens placed on Developer by this Agreement, including but not limited to Developer’s obligation to provide the public improvements set forth herein.

13.5 Eminent Domain. No provision of this Agreement shall be construed to limit or restrict the exercise by City of its power of eminent domain.

13.6 Entire Agreement. This Agreement represents the entire agreement of the Parties with respect to the subject matter of this Agreement. No testimony or evidence of any such representations, understandings or covenants shall be admissible in any proceeding of any kind or nature to interpret or determine the terms or conditions of this Agreement.

13.7 Further Actions and Instruments. Each of the Parties shall cooperate with and provide reasonable assistance to the other to the extent necessary to implement this Agreement.

13.8 Severability. If any term, provision, covenant, or condition of this Agreement shall be determined invalid, void, or unenforceable, the remainder of this Agreement shall not be affected thereby to the extent such remaining provisions are not rendered impractical to perform taking into consideration the purposes of this Agreement.

13.9 Covenant Not To Sue. The parties to this Agreement, and each of them, agree that this Agreement and each term hereof is legal, valid, binding, and enforceable. The parties to this Agreement, and each of them, hereby covenant and agree that each of them will not commence, maintain, or prosecute any claim, demand, cause of action, suit, or other proceeding against any other party to this Agreement, in law or in equity, or based on any allegation or assertion in any such action, that this Agreement or any term hereof is void, invalid, or unenforceable.

13.10 Force Majeure. The time within which Developer or City shall be required to perform any act under this Agreement shall be extended by a period of time equal to the number of days for which such Party’s performance is actually delayed by war; acts of terrorism, insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; natural disasters; acts

of God; acts of the public enemy; quarantine restrictions; freight embargoes; governmental restrictions on priority, initiative or referendum; moratoria adopted by governmental agencies other than City; litigation, administrative action or other adversarial proceeding (other than litigation commenced by the delayed Party) seeking to restrain, enjoin, challenge or delay issuance of any of the Development Approvals or this Agreement or the Project Agreements; injunctions issued by any court of competent jurisdiction; failure of governmental entities (other than the City) to issue permits or approvals (including without limitation failure of DTSC to undertake analysis or to issue health risk assessments, permits or approvals required to permit the development of the Project) (the foregoing, individually or collectively, “**Force Majeure**”). Any extension of time for any such cause(s) shall be for the period of the actual enforced delay and shall commence to run from the time of the commencement of the cause, so long as written notice by the Party claiming such extension is sent to the other Party within sixty (60) calendar days of knowledge by the requesting Party of the commencement of the cause, provided that if the Party claiming such Force Majeure fails to notify the other Party in writing of its request for a given Force Majeure within the sixty (60) calendar days specified above, any extension for such Force Majeure shall be in the sole discretion of the Party to which such request is subsequently made.

13.11 Waiver. All waivers of performance must be in a writing signed by the Party granting the waiver. Failure by a Party to insist upon the strict performance of any provision of this Agreement shall not be a waiver of future performance of the same or any other provision of this Agreement.

13.12 Time of Essence. Time is of the essence in the performance of the provisions of this Agreement as to which time is an element.

13.13 Governing Law and Venue. This Agreement shall be governed and interpreted in accordance with California law, with venue for any litigation concerning this Agreement in Los Angeles, California.

13.14 Interpretation. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting party or in favor of City shall not be employed in interpreting this Agreement, all parties having been represented by counsel in the negotiation and preparation hereof.

13.15 Corporate Authority. The person(s) executing this Agreement on behalf of each of the parties hereto represent and warrant that (i) such party, if not an individual, is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other agreement to which such party is bound.

13.16 Attorneys’ Fees. If either party to this Agreement is required to initiate or defend litigation against the other party, 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 attorneys’ fees. Attorneys’ fees shall include attorneys’ 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 a final judgment.

13.17 Recitals. The recitals in this Agreement constitute part of this Agreement and each party shall be entitled to rely on the truth and accuracy of each recital as an inducement to enter into this Agreement.

13.18 No Brokers. City and Developer represent and warrant to the other that neither has employed any broker and/or finder to represent its interest in this transaction. Each party agrees to indemnify and hold the other free and harmless from and against any and all liability, loss, cost, or expense (including court costs and reasonable attorney's fees) in any manner connected with a claim asserted by any individual or entity for any commission or finder's fee in connection with this Agreement arising out of agreements by the indemnifying party to pay any commission or finder's fee.

13.19 Joint and Several Liability. Except as otherwise provided in Article 11 of this Agreement, in the event Developer should sell, transfer, lease or assign this Agreement, the Property, or any part thereof prior to the completion of the Building on such portion of the Property sold, transferred, leased or assigned, Developer shall bear ultimate responsibility for all obligations, conditions, and restrictions set forth under this Agreement, it being understood that both Developer and any transferee, assignee, or lessee shall be jointly and severally liable until the completion of the Building on such portion of the Property.

13.20 Compliance with Laws. Developer must comply with all federal, state, and local laws and regulations, including the City's Municipal Code.

13.21 Counterparts. This Agreement may be executed by the Parties in counterparts, which together shall have the same effect as if each of the Parties had executed the same instrument.

[SIGNATURES ON FOLLOWING PAGE(S)]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first set forth above.

CITY:

CITY OF CARSON, a California municipal corporation

Lula Davis-Holmes, Mayor

ATTEST

Dr. Khaleah K. Bradshaw, City Clerk

APPROVED AS TO FORM
ALESHIRE & WYNDER, LLP

Sunny K. Soltani, City Attorney

DEVELOPER:

CARSON MAIN STREET, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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 LOS ANGELES

On _____, 2024, before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(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.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER	DESCRIPTION OF ATTACHED DOCUMENT
☐ INDIVIDUAL	_____
☐ CORPORATE OFFICER	TITLE OR TYPE OF DOCUMENT

☐ PARTNER(S) TITLE(S)	
☐ LIMITED ☐ GENERAL	NUMBER OF PAGES
☐ ATTORNEY-IN-FACT	
☐ TRUSTEE(S)	DATE OF DOCUMENT
☐ GUARDIAN/CONSERVATOR	
☐ OTHER _____	
_____	SIGNER(S) OTHER THAN NAMED ABOVE
SIGNER IS REPRESENTING:	
(NAME OF PERSON(S) OR ENTITY(IES))	

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

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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.

Signature: _____

OPTIONAL

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TITLE(S)	_____
☐ PARTNER(S) ☐ LIMITED	NUMBER OF PAGES
☐ GENERAL	_____
☐ ATTORNEY-IN-FACT	_____
☐ TRUSTEE(S)	DATE OF DOCUMENT
☐ GUARDIAN/CONSERVATOR	_____
☐ OTHER _____	_____
_____	SIGNER(S) OTHER THAN NAMED ABOVE
SIGNER IS REPRESENTING:	
(NAME OF PERSON(S) OR ENTITY(IES))	

EXHIBIT "A"

PROPERTY LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF CARSON, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 4, IN THE CITY OF CARSON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 62 PAGE 68 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING FROM THAT PORTION INCLUDED WITHIN LOTS 38, 39 AND 44 OF TRACT NO. 6378, ALL OIL, GAS, HYDROCARBON SUBSTANCES AND OTHER MINERALS IN AND UNDER SAID LAND WITH THE RIGHT TO DRILL FOR, MINE, EXTRACT, TAKE AND REMOVE THE SAME FROM ANY WELLS OR SHAFTS LOCATED ON ANY LAND ADJACENT TO THE ABOVE DESCRIBED LAND WITHOUT ACCOUNTING TO THE GRANTEE FOR ANY RENTALS, ROYALTIES OR PROCEEDS FROM THE SALE OF SUCH MINERALS, AS RESERVED IN DEED FROM SUNSET OIL COMPANY, RECORDED AUGUST 2, 1944 IN BOOK 20925, PAGE 72 OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES AND ALL OTHER MINERALS IN AND UNDER SAID LAND (EXCEPT THE SOUTH 350 FEET OF LOTS 36 AND 37), AS RESERVED BY SUNSET OIL COMPANY, A CORPORATION IN DEED RECORDED JULY 1, 1955 IN BOOK 48230, PAGE 289 OF OFFICIAL RECORDS AND BY SUNSET INTERNATIONAL PETROLEUM CORPORATION, A CORPORATION IN DEED RECORDED JULY 20, 1960 IN BOOK D-916 PAGE 193 OF OFFICIAL RECORDS.

ALSO EXCEPT FROM SAID LAND THAT PORTION LYING WITHIN THE LINES OF LOT 91 TRACT NO. 4671, ALL OIL, GAS, PETROLEUM AND OTHER HYDROCARBON SUBSTANCES WHICH LIE BELOW A PLANE OF 500 FEET FROM THE SURFACE OF SAID LAND AS EXCEPTED IN THE DEED FROM DEL AMO ESTATE COMPANY, A CORPORATION, RECORDED NOVEMBER 8, 1963 IN BOOK D-2250 PAGE 748 OF OFFICIAL RECORDS.

APN: 7336-003-043

Exhibit B

Unit Square Footage Table

	Building 1			Building 2		
	Suite 1A	Suite 1B	Suite 2A	Suite 2B	Suite 2C	Suite 2D
Total Footprint	44,905	46,309	28,965	37,016	31,223	38,405
Office	1,500	1,500	1,500	1,500	1,500	1,500
Industrial	43,405	44,809	27,465	35,516	29,723	36,905
Mezzanine	1,500	1,500	1,500	1,500	1,500	1,500
Total Area	46,405	47,809	30,465	38,516	32,723	39,905

	Building 3		Building 4	All Buildings	
	Suite 3A	Suite 3B		Total	Avg/Unit
Total Footprint	33,204	31,463	2,700	294,190	36,774
Office	1,500	1,500	-	12,000	1,500
Industrial	31,704	29,963	-	279,490	34,936
Mezzanine	1,500	1,500	-	12,000	1,500
Total Area	34,704	32,963	2,700	306,190	38,274

Note: Office (including Mezzanine) square footages reflect minimum requirements, but may increase subject to upper limits on project FAR.