AGENDA FOR A SPECIAL MEETING OF THE

IRWINDALE SUCCESSOR AGENCY OVERSIGHT BOARD

September 7, 2017

3:00 P.M. - OPEN SESSION

IRWINDALE CITY HALL, OUTER COUNCIL CHAMBER
5050 N. IRWINDALE AVENUE
IRWINDALE, CA 91706
626-430-2200

Lydia Cano
Loretta Corpis
Camille Diaz
J. Suzie Hsi
Bill Scroggins
Teresa Villegas

Spontaneous Communications: The public is encouraged to address the Oversight Board on any matter listed on the agenda or on any other matter within its jurisdiction. The Oversight Board will hear public comment on items listed on the agenda during discussion of the matter and prior to a vote. The Oversight Board will hear public comment on matters not listed on the agenda during the Spontaneous Communications period.

Pursuant to provisions of the **Brown Act**, no action may be taken on a matter unless it is listed on the agenda, or unless certain emergency or special circumstances exist. The Oversight Board may direct staff to investigate and/or schedule certain matters for consideration at a future Board meeting.

Americans with Disabilities Act: In compliance with the ADA, if you need special assistance to participate in an Oversight Board meeting or other services offered by this City, please contact City Hall at (626) 430-2200. Assisted listening devices are available at this meeting. Ask the Deputy City Clerk if you desire to use this device. Upon request, the agenda and documents in the agenda packet can be made available in appropriate alternative formats to persons with disabilities. Notification of at least 48 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

Note: Staff reports are available for inspection at the office of the Deputy City Clerk, City Hall, 5050 N. Irwindale Avenue, during regular business hours (8:00 a.m. to 6:00 p.m., Monday through Thursday).

OPEN SESSION – 3:00 P.M.

A. CALL TO ORDER

B. PLEDGE OF ALLEGIANCE

C. ROLL CALL / INTRODUCTIONS

- Lydia Cano, Representative of the Los Angeles County Board of Education
- Loretta Corpis, Representative of the City of Irwindale
- Camille Diaz, Representative of the City of Irwindale
- J. Suzie Hsi, Representative of the County of Los Angeles
- Vacant, Representative of the Consolidated Fire Protection District of Los Angeles County
- Bill Scroggins, Representative of the Chancellor of the California Community Colleges
- Teresa Villegas, Representative of the County of Los Angeles

SPONTANEOUS COMMUNICATIONS

Comments must pertain to business of the Oversight Board. Please limit comments to two (2) minutes.

1. NEW BUSINESS

A. Purchase and Sale Agreement for Billboard License Agreement Related to PMP Site No. 20 – North Kincaid Pit

Subject to the Oversight Board's approval, the Successor Agency will enter into a Purchase and Sale Agreement with Five Points, LLC for a billboard license agreement related to the property known as North Kincaid Pit. If approved by the Oversight Board, the Oversight Board's resolution will be forwarded to the California Department of Finance for their review.

2. OLD BUSINESS

None.

3. OVERSIGHT BOARD MEMBER COMMENTS

4. ADJOURN

DATE: September 7, 2017

TO: Oversight Board of the Successor Agency to the Irwindale Community Redevelopment Agency

FROM: John Davidson, Executive Director
Fred Galante, Agency Counsel
William Tam, Community Development Director

SUBJECT: Consideration of OB Resolution No. 2017-04-034 Authorizing the Execution of a Purchase and Sale Agreement for Billboard License Agreement Related to the North Kincaid Pit (APNs: 8616-022-906 and 8616-001-270)

Recommendation

That the Oversight Board adopt:

1. "A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE IRWINDALE COMMUNITY REDEVELOPMENT AGENCY AUTHORIZING THE SALE AND ASSIGNMENT OF INTEREST IN THE BILLBOARD LICENSE PURSUANT TO THE TERMS OF THE PURCHASE AND SALE AGREEMENT OF BILLBOARD LICENSE AGREEMENT AND ESCROW INSTRUCTIONS BY AND BETWEEN THE CITY OF IRWINDALE, AS SUCCESSOR AGENCY FOR THE IRWINDALE COMMUNITY REDEVELOPMENT AGENCY AND FIVE POINTS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY."

Discussion

Pursuant to the City Council's direction, Successor Agency staff and the City Attorney's Office have been negotiating with Five Points, LLC to sell the interest of the City, as Successor Agency, in the Billboard License Agreement first executed with Clear Channel Outdoor, Inc. ("Licensee") on June 7, 2005 and amended by that certain First Amendment to Billboard License Agreement dated May 19, 2010 ("License Agreement"), whereby Clear Channel erected and operated two billboards ("Billboards") on APNs 8616-001-270 and 8616-022-906 (which constitute a portion of Property #20 on the Successor Agency's Long-Range Property Management Plan).

Section 7 of the License Agreement gives the Successor Agency the unrestricted right to sell or assign its interest in the License Agreement ("License Interest") without notice or approval of Licensee, provided that any sale or assignment shall not materially impair Licensee's rights or increase Licensee's obligations under the License Agreement. Further, the License Agreement will expire by its terms on February 9, 2025 and, as of the Agreement Date, there is no written agreement with Licensee to extend the term of the License Agreement.

Five Points is proposing to purchase the Successor Agency's license interest for $1,500,000, and assume all responsibilities under the Billboard License pursuant to the Purchase and Sale Agreement ("Agreement") provided with this report. This proposed Agreement is contingent upon the closing of the sale and purchase agreement proposed by Five Points for purchase of the 16.5 acre property, commonly known as the North Kincaid Pit/Former Denny's Site (APN 8616-001-270, 8616-022-905, and 8616-022-906), and subject to the approval of the California Department of Finance.

Fiscal Impact

Revenue to the Successor Agency will equal the amount of the $1,500,000 purchase price. Loss of revenue to Successor Agency is equal to the license fee amounts it currently receives from Clear Channel Outdoor, Inc. of approximately $175,000 per year from the digital sign, and $75,000 per year from the Azusa sign, adjustable, if applicable, each March 1st based on a percentage calculation of gross revenues from sales of advertisements on the Azusa sign during the year ending on the last day of the immediately preceding February. All proceeds from the sale are to be used for the Successor Agency's enforceable obligations and Redevelopment Property Tax Trust Fund ("RPTTF") residual revenue to the taxing entities.

ATTACHMENT: APPROVING RESOLUTION WITH EXHIBIT:
(1) Purchase and Sale Agreement of Billboard License Agreement and Escrow Instructions

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OVERSIGHT BOARD RESOLUTION NO. 2017-04-034

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE IRWINDALE COMMUNITY REDEVELOPMENT AGENCY AUTHORIZING THE SALE AND ASSIGNMENT OF INTEREST IN THE BILLBOARD LICENSE PURSUANT TO THE TERMS OF THE PURCHASE AND SALE AGREEMENT OF BILLBOARD LICENSE AGREEMENT AND ESCROW INSTRUCTIONS BY AND BETWEEN THE CITY OF IRWINDALE, AS SUCCESSOR AGENCY FOR THE IRWINDALE COMMUNITY REDEVELOPMENT AGENCY, AND FIVE POINTS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

WHEREAS, on June 7, 2005, Clear Channel Outdoor, Inc., a Delaware corporation, as licensee ("Licensee") entered into that certain Billboard License Agreement with the Irwindale Community Redevelopment Agency, a public agency as licensor ("ICRA") as amended by that certain First Amendment to Billboard License Agreement dated May 19, 2010 ("License Agreement") whereby Licensee erected and operated billboards ("Billboards") on that certain real property described as APNs 8616-022-270 and 8616-022-906 ("Property");

WHEREAS, pursuant to the dissolution of redevelopment agencies per Assembly Bill ("AB") ABX1 26 (Chapter 5, Statutes of 2011) and ABX1 27 (Chapter 6, Statutes of 2011), and subsequent legislation, AB 1484 (Chapter 26, Statutes of 2012) (altogether, "Dissolution Act"), the City of Irwindale ("City") adopted Resolution No. 2012-08-2547 on January 11, 2012, electing to serve as Successor Agency to the Irwindale Community Redevelopment Agency ("Successor Agency");

WHEREAS, the Billboards were included as a portion of Property 20 in the Successor Agency's Long-Range Property Management Plan ("LRPMP"), which was prepared pursuant to the Dissolution Act and described the proposed plans for disposition of all 25 properties owned by the ICRA at the time of redevelopment dissolution;

WHEREAS, pursuant to Section 7 of the License Agreement, ICRA has the unrestricted right to sell or assign its interest in the License Agreement ("License Interest") without notice or approval of Licensee, provided that any sale or assignment shall not materially impair Licensee's rights or increase Licensee's obligations under the License Agreement;

WHEREAS, the License Agreement will expire by its terms on February 9, 2025 and, as of the Agreement Date, there is no written agreement with Licensee to extend the term of the License Agreement;

WHEREAS, the LRPMP indicated that the Successor Agency would apply revenues generated from the Property toward future approved enforceable obligations;

WHEREAS, on August 8, 2014, the City received notification from the California Department of Finance ("DOF") approving the Successor Agency's LRPMP and, on August 5, 2016, received notification from DOF approving the Successor Agency's Amended LRPMP;

WHEREAS, the City executed a Memorandum of Understanding for Development of Kincaid Pit dated February 22, 2017 with Five Points, Inc. ("Purchaser");

WHEREAS, the Successor Agency approved the terms of the Purchase and Sale Agreement ("PSA") on June 14, 2017, contingent upon the closing of the sale and purchase agreement for the North Kincaid Pit; and

WHEREAS, a proposed PSA between the Purchaser and the Successor Agency to effectuate the sale of the Property is enclosed herewith as Exhibit "A".

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE IRWINDALE COMMUNITY REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and incorporated herein by reference.

Section 2. Approval of PSA. The Oversight Board hereby approves the Purchase and Sale Agreement of Billboard License Agreement with Five Points, LLC for the acquisition of the interest in the billboard license related to the Property on APNs 8616-001-270 and 8616-022-906 and hereby authorizes the Executive Director to execute same, in the form attached herewith.

PASSED AND ADOPTED at a special meeting of the Oversight Board of the Successor Agency to the Irwindale Community Redevelopment Agency, on the 7th day of September, 2017, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

____

Irwindale Oversight Board Chair

ATTEST:

____

Laura Nieto, Agency Secretary

EXHIBIT “A”

Purchase and Sale Agreement of Billboard License Agreement
Between the Successor Agency to the Irwindale Community Redevelopment Agency
and
Five Points, Inc.

(APNs 8616-001-270 and 8616-022-906)

PURCHASE AND SALE AGREEMENT OF BILLBOARD LICENSE AGREEMENT AND ESCROW INSTRUCTIONS –
Kincaid Pit Billboard License Agreement

This PURCHASE AND SALE AGREEMENT OF BILLBOARD LICENSE AGREEMENT AND ESCROW INSTRUCTIONS ("**Agreement**"), is made as of June 14, 2017 ("**Agreement Date**") by and between the CITY OF IRWINDALE, AS SUCCESSOR AGENCY FOR THE IRWINDALE COMMUNITY REDEVELOPMENT AGENCY, a public agency ("**Seller**"), and FIVE POINTS, LLC, a California limited liability company ("**Purchaser**").

RECITALS

A. On June 7, 2005, Clear Channel Outdoor, Inc., a Delaware corporation as licensee ("**Licensee**") entered into that certain Billboard License Agreement with the Irwindale Community Redevelopment Agency, a public agency as licensor ("**ICRA**") as amended by that certain First Amendment to Billboard License Agreement dated May 19, 2010 ("**License Agreement**") whereby Licensee erected and operated billboards ("**Billboards**") on that certain real property described as APNs 8616-001-270 and 8616-022-906 ("**Real Property**"). The locations of the Billboards subject to the License Agreement are described on the attached Exhibit A attached hereto.

B. In 2011, redevelopment agencies were dissolved and pursuant to California law, Seller is the successor in interest to the ICRA.

C. Pursuant to Section 7 of the License Agreement, Seller has the unrestricted right to sell or assign its interest in the License Agreement ("**License Interest**") without notice or approval of Licensee, provided that any sale or assignment shall not materially impair Licensee's rights or increase Licensee's obligations under the License Agreement.

D. The License Agreement will expire by its terms on February 9, 2025 and, as of the Agreement Date, there is no written agreement with Licensee to extend the term of the License Agreement.

E. Concurrently with this Agreement, Purchaser is entering into that certain Purchase and Sale Agreement and Escrow Instructions dated June 14, 2017 with the City of Irwindale ("**City**") pursuant to which Purchaser is acquiring fee simple title to the Real Property ("**Real Property PSA**").

F. Purchaser wishes to acquire and Seller is willing to transfer the License Interest at a valuation that is reflective of the current License Agreement expiration term and pursuant to the terms of this Agreement which shall be consummated concurrently with and subject to Purchaser's fee simple acquisition of the Real Property under the Real Property PSA.

TERMS & CONDITIONS

NOW THEREFORE, in consideration of the mutual promises of the parties, and for good and valuable consideration, the receipt and sufficiency of which is acknowledged, Seller and Purchaser agree as follows:

1. PURCHASE AND SALE OF LICENSE INTEREST. Subject to the terms and conditions set forth in this Agreement (including the Recitals which are incorporated herein and made a part hereof by reference), Purchaser agrees to purchase from Seller, and Seller agrees to sell to Purchaser, the License Interest.

2. OPENING OF ESCROW. Within three (3) Business Days of the Agreement Date, the parties shall open an escrow ("**Escrow**") with Escrow Holder by causing an executed copy of this Agreement to be deposited with Jessica Avila, Escrow Officer at Fidelity National Title Insurance Company, 555 South Flower Street, Suite 4420, Los Angeles, CA 90071, (213) 452-7132 jessica.avila@fnf ("**Escrow Holder**"). Escrow shall be deemed open on the date that all of the following occur ("**Opening of Escrow**"): (i) a fully executed copy of this Agreement is delivered to Escrow Holder and accepted by Escrow Holder as evidenced by Escrow Holder's executed acceptance thereof; (ii) Escrow Holder receives the Deposit (as defined in Section 3.1); and (iii) the opening of escrow pursuant to the Real Property PSA ("**Real Property Escrow**") has occurred.

3. PURCHASE PRICE. The purchase price for the License Interest ("**Purchase Price**") shall be One Million Five Hundred Thousand Dollars ($1,500,000) which shall be paid as follows:

3.1 Deposit. Upon receipt by Purchaser and Escrow Holder of a Seller-executed copy of this Agreement, Purchaser shall promptly (but in no event later than three (3) Business Days thereafter), deposit the sum of Twenty Thousand Dollars ($20,000) ("**Deposit**") with the Escrow Holder, to be held in Escrow for the benefit of the parties and applied against the Purchase Price at Closing or refunded or returned pursuant to the following provisions.

The Deposit shall be held by Escrow Holder in an interest-bearing account and such interest, when received by Seller, shall become part of the Deposit. The parties shall promptly complete and deliver to Escrow Holder all documents required to open such account.

If this Agreement and Escrow are terminated pursuant to Section 6.1 or a failure of a Condition Precedent, the Deposit shall be fully refundable to Purchaser. If Escrow does not Close due to a failure of a Condition Precedent, the Deposit shall be returned to Purchaser. If Escrow does not Close due to a default under this Agreement by Purchaser, Escrow Holder shall immediately disburse the Deposit to Seller as liquidated damages pursuant to Section 8.1 below.

3.2 Balance of Purchase Price. At least one (1) Business Day prior to the Closing, Purchaser shall deposit with Escrow Holder the Purchase Price less the Deposit plus or minus closing prorations, adjustments, and costs related to the Closing as shall be determined by Escrow Holder as reflected in the Closing Statement mutually approved by both Seller and Purchaser pursuant to Section 7.3(c). The Purchase Price shall be disbursed to Seller by the Escrow Holder upon the Close of Escrow (as defined in Section 9).

3.3 Good Funds. All funds deposited into Escrow shall be in "**Good Funds**" which means a wire transfer of funds, cashier's or certified check drawn on or issued by the offices of a financial institution located in the State of California.

4. CLOSING DELIVERIES TO ESCROW HOLDER.

4.1 By Seller. Seller covenants and agrees to deliver or cause to be delivered to Escrow Holder within one (1) Business Day prior to the Closing Date, all of the following instruments, documents and funds, the delivery of each of which shall be a condition precedent to the Closing for the benefit of Purchaser:

4.1.1 **License Agreement and Assignment Agreement and Assumption Agreement.** Seller shall deliver to (i) the original License Agreement ("**Original License Agreement**") together with (ii) three (3) copies of the executed Assignment Agreement and Assumption Agreement in the form attached hereto as Exhibit B ("**Assignment and Assumption Agreement**").

4.1.2 **Licensee Estoppel Certificate and Acknowledgment of Assignment.** Seller shall use best efforts to obtain an estoppel certificate in the form attached hereto as Exhibit C on or before the date that is ten (10) days before Closing, executed by Licensee, which shall acknowledge the status of the License Agreement and identify any amendments, modifications, concessions, waivers or other agreements which affect the License Agreement ("**Estoppel Certificate**"). If the Estoppel Certificate is not delivered within the required time period, Seller shall prior to Closing deliver to Escrow Holder with a copy to Purchaser a certificate of representations and warranties of Seller regarding the terms of the License Agreement which certificate shall include a provision indemnifying Purchaser against any claim or assertion by Licensee to the contrary in the form of Exhibit D ("**Seller Representations and Warranties Certificate**").

4.1.3 **Closing Documents**. Seller shall deliver to Escrow any additional tax forms or other documents as may be reasonably required by the Escrow Holder to consummate the transaction contemplated by this Agreement.

4.1.4. **Closing Statement.** Seller shall approve a settlement statement reflecting the pro-rations and adjustments required under Section 9.

4.1.5 **Approval Period.** Within three (3) days of the Opening of Escrow, Seller shall deliver a full copy of the License Agreement to Purchaser. Purchaser shall have a period of five (5) Business Days from receipt of the License Agreement ("**Approval Period**") to review and either approve or reject the License Agreement in its sole and absolute discretion, with or without cause, for any or no reason. Failure by Purchaser to deliver to Escrow Holder written notice of Purchaser's disapproval of the License Agreement within the Approval Period shall conclusively be deemed Purchaser's approval of the License Agreement. If Purchaser disapproves of the License Agreement, it may do so by delivering written notice to Seller with a copy to the Escrow Holder within the Approval Period specifying its disapproval of the License Agreement and its election to terminate both (i) this Agreement and Escrow, and (ii) the Real Property PSA and Real Property Escrow ("**Rejection & Termination Notice**"). Upon receipt of the Rejection & Termination Notice, Escrow Holder shall immediately terminate this Escrow and return the Deposit to Purchaser without further instruction.

4.2 **By Purchaser.** Purchaser covenants and agrees to deliver or cause to be delivered to Escrow Holder on or prior to the Closing Date all of the following instruments, documents and funds, the delivery of each of which shall be a condition precedent to the Closing for the benefit of Seller.

4.2.1 **Purchase Price.** Purchaser shall deliver the Purchase Price in accordance with Section 3.

4.2.2 **Assignment and Assumption Agreement.** Purchaser shall deliver three (3) copies of the Assignment and Assumption Agreement.

4.2.2 Closing Documents. Any tax forms or other documents as may be reasonably required by the Escrow Holder to consummate the transaction contemplated by this Agreement.

4.3 Additional Closing Items. Each party shall also execute and deliver to the Escrow Holder such documents, certificates and instruments as may be reasonably required to consummate this transaction. The items required to be submitted to the Escrow Holder pursuant to this Section 4 are referred to herein collectively as the "**Closing Items**."

4.4 Assembly of Documents. At Closing, Escrow Holder shall assemble three (3) fully executed copies of the Assignment Agreement and deliver one (1) fully executed copy to each of Purchaser, Seller and the original Licensee.

5. CONDITIONS PRECEDENT.

5.1. Conditions to Purchaser's Obligations. The obligations of Purchaser under this Agreement are subject to the satisfaction or written waiver, in whole or in part, by Purchaser of each of the following conditions precedent ("**Purchaser's Conditions Precedent**"):

(a) Purchaser has not issued a Rejection & Termination Notice in accordance with Section 4.1.5.

(b) Escrow Holder holds and will deliver to Purchaser the instruments pursuant to Section 4 and funds, if any, accruing to Purchaser pursuant to this Agreement, including the (i) Original Licensee Agreement, (ii) an original Assignment and Assumption Agreement; and (iii) either the Estoppel Certificate or the Seller Representations and Warranties Certificate.

(c) Concurrent closing of the Real Property Escrow.

(d) Seller is not in default under this Agreement.

5.2. Conditions to Seller's Obligations. The obligations of Seller under this Agreement are subject to the satisfaction or written waiver, in whole or in part, by Seller of the following conditions precedent ("**Seller's Conditions Precedent**"):

(a) Purchaser has not issued a Rejection & Termination Notice in accordance with Section 4.1.5.

(b) Escrow Holder holds and will deliver to Seller the instruments and funds accruing to Seller pursuant to Section 4 and funds accruing to Purchaser pursuant to this Agreement, including (i) the Assignment and Assumption Agreement, and the (ii) Purchase Price.

(c) Concurrent closing of the Real Property Escrow.

(d) Purchaser is not in default under this Agreement.

5.3. Department Of Finance ("DOF") Approval. Purchaser acknowledges that this Agreement shall be submitted to the Irwindale Oversight Board ("**OB**") for approval, and subsequently the OB action shall be submitted to the Department of Finance for approval. Notwithstanding anything to the contrary contained herein, this Agreement shall be expressly contingent upon and subject to approval by the DOF ("**DOF Approval**").of the sale of the Property under the Real Property PSA

6. DEFAULT AND TERMINATION UNDER REAL PROPERTY PSA.

6.1. Default under Real Property PSA. Any default by either party under the Real Property PSA shall constitute an automatic default by that party under this Agreement.

6.2. Termination.

a. **Failure of a Condition Precedent**. In the event of a termination of the Real Property PSA due to a failure of a Condition Precedent, this Agreement and Escrow shall terminate and the Deposit shall be promptly returned to Purchaser by Escrow Holder and neither party shall have any further rights or obligations under this Agreement.

b. **Breach**. In the event of a termination of the Real Property PSA due a breach by a party, this Agreement shall also be deemed terminated.

7. ESCROW PROVISIONS.

7.1. Escrow Instructions. Sections 1 through 7, inclusive; 9, and 12 through 28, inclusive; shall constitute escrow instructions to Escrow Holder. The terms and conditions in sections of this Agreement not specifically referenced above are additional matters for information of Escrow Holder, but about which Escrow Holder need not be concerned. Purchaser and Seller will receive Escrow Holder's general provisions directly from Escrow Holder and will execute such provision upon Escrow Holder's request. To the extent that the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Purchaser and Seller agree to execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close Escrow. The parties also shall cooperate with executing any documents reasonably required by Escrow Holder to release the funds to the appropriate party upon termination of this Agreement.

7.2. Miscellaneous. At Closing, Escrow Holder shall deliver one (1) original Assignment Agreement to each of the Purchaser and Seller and to Licensor at its address on record. Subject to Section 3.1, all funds received in this Escrow shall be deposited in one or more general escrow accounts of the Escrow Holder with any major bank doing business in the Southern California area, and may be disbursed to any other general escrow account or accounts. All disbursements shall be according to that party's instructions.

7.3. Cost Allocations; Prorations; Closing Statement.

a. **Cost Allocation.** Each party shall pay one-half (1/2) of the escrow costs. All other costs of Escrow not otherwise specifically allocated by this Agreement shall be apportioned between the parties in a manner consistent with the custom and usage of Escrow Holder.

b. **Rent Proration.**

i. **Prior to Closing by Escrow Holder.** Not less than three (3) days prior to the Closing, Seller shall deliver a summary statement to Escrow Holder with respect to the monthly license fees under the License Agreement. Monthly license fees due to Seller for the duration of the Escrow period shall be prorated to Closing on the basis of a thirty (30) day month and a three hundred sixty (360) day year.

ii. **After Closing between Parties.** On March 1 of the year following Closing, Licensee is required to provide an accounting to the Licensor and to pay an Additional License Fee based on the Gross Rents pursuant to Section 1.4(c) of the License Agreement. Upon receipt of the accounting documents and Additional License Fee, Purchaser shall promptly provide a copy of same to Seller together a check equal to the prorated amount of the Additional License Fee, if any, to the date of the Closing. This matter is not of concern to Escrow Holder and shall be handled independently between the parties.

c. **Closing Statement.** At least three (3) Business Days prior to the Closing Date, Escrow Holder shall furnish Purchaser and Seller with a preliminary Escrow closing statement which shall include each party's respective shares of costs. The preliminary closing statement shall be approved in writing by the parties. As soon as reasonably possible following the Close of Escrow, Escrow Holder shall deliver a copy of the final Escrow closing statement to the parties.

8. DEFAULT.

8.1 PURCHASER'S DEFAULT. IF PURCHASER FAILS TO COMPLETE THE PURCHASE OF THE LICENSE INTEREST AS PROVIDED IN THIS AGREEMENT BY REASON OF ANY UNCURED MATERIAL DEFAULT OF PURCHASER WHICH SHALL INCLUDE AN UNCURED MATERIAL DEFAULT OF PURCHASER UNDER THE REAL PROPERTY PSA (AND NOT DUE TO A FAILURE OF A CONDITION PRECEDENT), SELLER SHALL BE RELEASED FROM ITS OBLIGATION TO SELL THE LICENSE INTEREST TO PURCHASER. PURCHASER AND SELLER HEREBY ACKNOWLEDGE AND AGREE THAT IT WOULD BE IMPRACTICAL AND/OR EXTREMELY DIFFICULT TO FIX OR ESTABLISH THE ACTUAL DAMAGE SUSTAINED BY SELLER AS A RESULT OF SUCH DEFAULT BY PURCHASER, AND AGREE THAT THE DEPOSIT (INCLUDING ALL INTEREST ACCRUED THEREON) IS A REASONABLE APPROXIMATION THEREOF. ACCORDINGLY, IN THE EVENT THAT PURCHASER BREACHES THIS AGREEMENT BY DEFAULTING IN THE COMPLETION OF THE PURCHASE, THE DEPOSIT (INCLUDING ALL INTEREST ACCRUED THEREON) SHALL CONSTITUTE AND BE DEEMED TO BE THE AGREED AND LIQUIDATED DAMAGES OF SELLER, AND SHALL BE PAID BY PURCHASER TO SELLER AS SELLER'S SOLE AND EXCLUSIVE REMEDY. EXCEPT FOR ATTORNEYS' AND OTHER FEES RECOVERABLE PURSUANT TO SECTION 19 BELOW WHICH SHALL SURVIVE TERMINATION OF THIS AGREEMENT FOR ANY REASON, SELLER AGREES TO AND DOES HEREBY WAIVE ALL OTHER REMEDIES AGAINST PURCHASER WHICH SELLER MIGHT OTHERWISE HAVE AT LAW OR IN EQUITY BY REASON OF SUCH DEFAULT BY PURCHASER. THE PAYMENT OF THE DEPOSIT (INCLUDING ALL INTEREST ACCRUED THEREON) AS LIQUIDATED DAMAGES IS NOT INTENDED TO BE A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677.

SELLER'S INITIALS: Md-KD **PURCHASER'S INITIALS:** ______

8.2 SELLER'S DEFAULT. IF SELLER FAILS TO COMPLETE THE SALE OF THE LICENSE INTEREST AS PROVIDED IN THIS AGREEMENT BY REASON OF ANY MATERIAL DEFAULT OF SELLER WHICH SHALL INCLUDE AN UNCURED MATERIAL DEFAULT OF SELLER UNDER THE REAL PROPERTY PSA (AND NOT DUE TO A FAILURE OF A CONDITION PRECEDENT), PURCHASER MAY EITHER (I) PROCEED AGAINST SELLER BY BRINGING AN ACTION FOR SPECIFIC PERFORMANCE UNDER THIS AGREEMENT AND RECOVER ALL DAMAGES (INCLUDING REASONABLE ATTORNEYS'

FEES AND COSTS) RELATED THERETO, OR (II) TERMINATE THIS AGREEMENT IN WHICH EVENT THE DEPOSIT HEREIN SHALL BE IMMEDIATELY RETURNED TO PURCHASER AND SELLER SHALL BE SOLELY RESPONSIBLE FOR PAYING ALL OF PURCHASER'S DOCUMENTED COSTS WITH RESPECT TO THE PROPOSED TRANSACTION. PURCHASER AND SELLER HEREBY ACKNOWLEDGE AND AGREE THAT IT WOULD BE IMPRACTICAL AND/OR EXTREMELY DIFFICULT TO FIX OR ESTABLISH THE ACTUAL DAMAGE SUSTAINED BY PURCHASER AS A RESULT OF SUCH MATERIAL DEFAULT BY SELLER AND AGREE THAT THE REMEDY SET FORTH IN CLAUSE (II) ABOVE IS A REASONABLE APPROXIMATION THEREOF. ACCORDINGLY, IN THE EVENT THAT SELLER BREACHES THIS AGREEMENT BY MATERIALLY DEFAULTING IN THE COMPLETION OF THE SALE, AND PURCHASER ELECTS NOT TO EXERCISE THE REMEDY SET FORTH IN CLAUSE (I) ABOVE BUT INSTEAD ELECTS THE REMEDY SET FORTH IN CLAUSE (II) ABOVE, SUCH SUMS SHALL CONSTITUTE AND BE DEEMED TO BE THE AGREED AND LIQUIDATED DAMAGES OF PURCHASER WHICH IS NOT INTENDED TO BE A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO PURCHASER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. EXCEPT FOR ATTORNEYS' AND OTHER FEES RECOVERABLE PURSUANT TO SECTION 19 BELOW WHICH SHALL SURVIVE TERMINATION OF THIS AGREEMENT FOR ANY REASON FOR A PERIOD OF ONE YEAR, PURCHASER AGREES TO AND DOES HEREBY WAIVE ALL OTHER REMEDIES AGAINST SELLER WHICH PURCHASER MIGHT OTHERWISE HAVE AT LAW OR IN EQUITY BY REASON OF SUCH DEFAULT BY SELLER.

SELLER'S INITIALS: MWB **PURCHASER'S INITIALS:** MG

9. CLOSING DATE; TIME IS OF ESSENCE.

9.1. Closing Date. Unless otherwise extended in writing by the parties, Escrow shall close concurrently with the Real Estate Escrow but, in no event, later than November 30, 2017("**Closing Date**"). The terms "**Close of Escrow**" and/or "**Closing**" are used herein to mean the date that the Real Estate Sale is closed pursuant to the terms of the Real Property PSA.

9.2. Time is of Essence. Purchaser and Seller specifically understand that time is of the essence. Unless otherwise expressly provided in this Agreement, any reference in this Agreement to time for performance of obligations or to elapsed time shall mean Pacific Standard Time and time periods shall mean consecutive calendar days, months or years, as applicable.

9.3. Extensions. Seller and Purchaser may authorize extensions of any deadline under this Agreement by written mutual agreement with a copy delivered to Escrow Holder.

9.4. Pre-Closing Covenants. Seller covenants that Seller shall between the date of this Agreement and the Closing Date, unless otherwise (i) provided herein, or (ii) consented to in writing by Purchaser:

a. Remain in compliance with the terms of the License Agreement.

b. Not transfer or assign the License Interest or any portion or portions thereof.

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

11. <u>REPRESENTATIONS AND WARRANTIES OF SELLER</u>. Seller represents and warrants to Purchaser that, to the best of Seller's actual knowledge as of the Agreement Date and confirmed as of the Closing, except as set forth or otherwise disclosed in this Agreement, or in any exhibit to this Agreement, or in any schedule of exceptions attached to this Agreement:

a. This Agreement has been duly authorized and executed on behalf of Seller. As of the Opening of Escrow, this Agreement constitutes a valid and binding agreement, enforceable in accordance with its terms.

b. Seller is the sole owner of the License Interest. Seller is not a party to any contract, agreement or commitment to sell, convey, assign, transfer or otherwise dispose of any portion or portions of the License Interest.

c. With respect to the License Agreement, (i) there is no default under the License Agreement by either Seller or Licensee; (ii) the term of the License Agreement expires on February 9, 2025; and (iii) the monthly post-conversion license fee for the Digital Sign and for the Azusa Sign is $14,583.33 and $6,250.00, respectively.

No representation, statement or warranty by Seller contained in this Agreement or in any exhibit attached hereto contains or will contain any untrue statements or omits, or will omit, a material fact necessary to make the statement of fact therein recited misleading. If, after Seller's execution hereof and prior to the Closing, any event occurs or condition exists of which Seller becomes aware which renders any of the representations contained herein untrue or misleading, Seller shall promptly notify Purchaser in writing. Seller's representations and warranties in this <u>Section 11</u> shall survive Closing for one (1) year.

12. <u>ASSIGNMENT</u>. Neither party shall have the right to assign this Agreement or this Escrow without the prior written consent of the other party. However, the original Purchaser (designated on page 1) may assign this Agreement to a financially viable entity that is owned and controlled by original Purchaser, provided, however, that (a) Purchaser and the proposed assignee shall provide evidence of the qualifications of the proposed assignee to Seller; and (b) Purchaser and the assignee execute an assignment and assumption agreement in a form reasonably acceptable to Seller. Seller's consent to an assignment by Purchaser shall not relieve Purchaser of liability under this Agreement.

13. <u>BUSINESS DAYS</u>. As used herein, the term "**Business Days**" refers to Monday through Thursday, excluding holidays on which the City of Irwindale is closed for business.

14. BINDING EFFECT. The covenants herein shall bind and inure to the benefit of the executors, administrators, successors and assigns of the respective parties.

15. BROKER'S COMMISSION. Purchaser and Seller each represent and warrant to the other that no third party is entitled to a broker's commission and/or finder's fee with respect to the transaction contemplated by this Agreement. Purchaser and Seller each agree to indemnify and hold the other party harmless from and against all liabilities, costs, damages and expenses, including, without limitation, attorneys' fees, resulting from any claims or fees or commissions, based upon agreements by it, if any, to pay a broker's commission and/or finder's fee.

16. INTEGRATION; MERGER; AMENDMENT. Seller and Purchaser have not made any covenants, warranties or representations not set forth in this Agreement. This Agreement constitutes the entire Agreement between the parties. This Agreement shall as to all prior drafts or forms exchanged between the parties or executed by the parties, be the sole effective agreement between them as to the transaction referenced herein. This Agreement shall not be amended unless in writing and executed by the parties.

17. NOTICES. All notices shall be in writing and delivered personally, by overnight air courier service, by facsimile transmission or email, or by U.S. certified or registered mail, return receipt requested, postage prepaid, to the parties at their respective addresses set forth below, and the same shall be effective upon receipt if delivered personally, one (1) Business Day after depositing with an overnight air courier, or two (2) Business Days after depositing in the mail immediately, upon transmission (as confirmed by electronic confirmation of transmission generated by the sender's machine) for any notice given by facsimile or email:

If to Seller:	Irwindale Successor Agency 5050 N. Irwindale Ave Irwindale, CA 91706 Attn: Executive Director
With a copy to:	Aleshire & Wynder, LLP 18881 Von Karman Ave., Suite 1700 Irvine, CA 92612 Attn: Fred Galante, Agency Counsel
If to Purchaser:	Five Points, LLC 9034 West Sunset Blvd. West Hollywood, CA 90069 Attn: Mark Gabay

18. GOVERNING LAW. This Agreement shall be construed according to the laws of the State of California.

19. ATTORNEY'S FEES. In the event any action or suit is brought by a party hereto against another party hereunder by reason of any breach of any of the covenants, agreements or provisions on the part of the other party arising out of this Agreement, then in that event the prevailing party shall be entitled to have and recover from the other party all costs and expenses of the action or suit, including actual attorneys' fees, expert witness fees, accounting and engineering fees, and any other professional fees resulting therefrom.

20. SEVERABILITY. If any term of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then this Agreement, including all of the remaining terms, will remain in full force and effect as if such invalid or unenforceable term had never been included.

21. CONSTRUCTION. In determining the meaning of, or resolving any ambiguity with respect to, any word, phrase or provision of this Agreement, no uncertainty or ambiguity shall be construed or resolved against a party under any rule of construction, including the party primarily responsible for the drafting and preparation of this Agreement. Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates.

22. QUALIFICATION; AUTHORITY. Each individual executing this Agreement on behalf of Purchaser represents, warrants and covenants to Seller that (a) such person is duly authorized to execute and deliver this Agreement on behalf of Purchaser in accordance with authority granted under its organizational document, and (b) Purchaser is bound under the terms of this Agreement.

23. NO WAIVER. The failure of either party to enforce any term, covenant, or condition of this Agreement on the date it is to be performed shall not be construed as a waiver of that party's right to enforce this, or any other, term, covenant, or condition of this Agreement at any later date or as a waiver of any term, covenant, or condition of this Agreement.

24. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall be deemed but one and the same instrument, and a facsimile or e-mailed PDF copy of such execution shall be deemed an original.

25. MISCELLANEOUS.

25.1 Execution of Documents. The parties agree to execute such instructions to Escrow Holder and such other instruments and to do such further acts as may be reasonably necessary to carry out the provisions of this Agreement.

25.2 Inducement. The making, execution and delivery of this Agreement by the parties hereto have been induced by no representations, statements, warranties or agreements other than those expressly set forth herein.

25.3 Relationship of Parties. Notwithstanding anything to the contrary contained herein, this Agreement shall not be deemed or construed to make the parties hereto partners or joint venturers, or to render either party liable for any of the debts or obligations of the other, it being the intention of the parties to merely create the relationship of Seller and Purchaser with respect to the Property to be conveyed as contemplated hereby.

25.4 Force Majeure. If either party is delayed or prevented from performing any act required in this Agreement by reason of any event beyond the reasonable control of either party, including without limitation, by labor disputes, fire, unusual delay in deliveries, weather or acts of God, terrorism, delay in the issuance of permits or approvals, acts of governmental entities, unavoidable casualties or any other such causes beyond such party's control, then the time herein fixed for completion of such obligation(s) shall be extended by the number of days that such party has been delayed.

26. REPRESENTATION BY COUNSEL. Each party represents and agrees with each other that it has been represented by or had the opportunity to be represented by, independent counsel of its own choosing, and that it has had the full right and opportunity to consult with its respective attorney(s), that to the extent, if any, that it desired, it availed itself of this right and opportunity, that it or its authorized officers (as the case may be) have carefully read and fully understand this Agreement in its entirety and have had it fully explained to them by such party's respective counsel, that each is fully aware of the contents thereof and its meaning, intent and legal effect, and that it or its authorized officer (as the case may be) is competent to execute this Agreement and has executed this Agreement free from coercion, duress or undue influence.

27. INTERPRETATION. The parties to this Agreement participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, then this Agreement will be construed as if drafted jointly by the parties to this Agreement, and no presumption or burden of proof will arise favoring or disfavoring any party to this Agreement by virtue of the authorship of any of the provisions of this Agreement.

28. EXHIBITS. Exhibits A, B, C and D attached hereto are incorporated herein by reference.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first-above written.

REMINDER: Parties must initial Sections 8.1 and 8.2.

PURCHASER:

FIVE POINTS, LLC,
a California limited liability company

By: ____________________
Mark Gabay, Managing Member

SELLER:

CITY OF IRWINDALE as Successor Agency to the Irwindale Community Redevelopment Agency, a public agency

By: ____________________
Mark A. Breceda, Mayor

ATTEST:

____
Laura M. Nieto, CMC, Agency Secretary

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: ____________________
Fred Galante, Agency Counsel

ESCROW HOLDER:

READ AND ACCEPTED:

FIDELITY NATIONAL TITLE INSURANCE COMPANY

By: ____________________
Jessica Avila, Escrow Officer

Dated: ______________, 2017

EXHIBIT A

DEPICTION OF LOCATION OF BILLBOARDS

EXHIBIT B

ASSIGNMENT AND ASSUMPTION OF LICENSE AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION OF LICENSE AGREEMENT ("**Assignment Agreement**") is dated as of ________________, 2017 ("**Assignment Date**"), by and between the CITY OF IRWINDALE as Successor Agency to the IRWINDALE COMMUNITY REDEVELOPMENT AGENCY, a public agency ("**Assignor**"), and FIVE POINTS, LLC, a California limited liability company ("**Assignee**").

RECITALS

A. On June 7, 2005, Clear Channel Outdoor, Inc., a Delaware corporation as licensee ("**Licensee**") entered into that certain Billboard License Agreement with the Irwindale Community Redevelopment Agency, a public agency as licensor ("**ICRA**") as amended by that certain First Amendment to Billboard License Agreement dated May 19, 2010 ("**License Agreement**") whereby Licensee erected and operated billboards on that certain real property described as APNs 8616-001-270 and 8616-022-906 ("**Real Property**").

B. Pursuant to Section 7 of the License Agreement, Assignor has the unrestricted right to sell its interests in the License Agreement without notice or approval of Licensee, provided that any sale shall not materially impair Licensee's rights or increase Licensee's obligations under the License Agreement.

C. This Assignment Agreement is executed pursuant to that certain Purchase and Sale Agreement of Billboard License Agreement and Escrow Instructions dated ________, 2017 between the parties ("**License Agreement PSA**").

NOW, THEREFORE, in consideration of the mutual promises of the parties, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. **Recitals.** All of the foregoing recitals are true and correct and are incorporated herein by reference.

2. **Assignment.** Assignor hereby assigns, sells, conveys, and otherwise transfers to Assignee all of Assignor's interests, rights, and obligations under the License Agreement. This assignment shall be effective as of the Assignment Date. Assignee's execution hereof confirms that Assignor shall no longer be liable for the performance of any obligations, terms, covenants, or conditions under the License Agreement arising after the Assignment Date and that Assignee hereby agrees to forever release Assignor from the performance of any such obligations, terms, covenants, and conditions under the License Agreement.

3. **Assumption of Obligations and Rights.** Assignee hereby accepts and assumes all of Assignor's interests, rights, and obligations under the License Agreement arising after the Assignment Date and assumes and agrees to perform all of Assignor's corresponding obligations, terms, covenants, and conditions under the License Agreement accruing from, and after the Closing Date of the License Agreement PSA.

4. **Due Execution.** The person(s) executing this Assignment Agreement on behalf of the parties hereto warrant that: (i) such party is duly organized and existing; (ii) they are duly authorized to execute and deliver this Assignment Agreement on behalf of said party; (iii) by so executing this Assignment Agreement, such party is formally bound to the provisions of this Assignment Agreement; and (iv) the entering into of this Assignment Agreement does not violate any provision of any other agreement to which said party is bound.

IN WITNESS WHEREOF, the parties have executed this Assignment Agreement as of the Assignment Date.

ASSIGNEE:

FIVE POINTS, LLC,
a California limited liability company

By: ______________________________

Its: ___________________________

By: ______________________________

Its: ___________________________

ASSIGNOR:

CITY OF IRWINDALE as Successor Agency to the Irwindale Community Redevelopment Agency, a public agency

By: ______________________________
Mark A. Breceda, Mayor

ATTEST:

____
Laura M. Nieto, CMC, Agency Secretary

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: ___________________________
Fred Galante, Agency Counsel

EXHIBIT C

LICENSEE'S ESTOPPEL CERTIFICATE AND ACKNOWLEDGMENT OF ASSIGNMENT

EXHIBIT D

SELLER'S REPRESENTATIONS AND WARRANTIES CERTIFICATE