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PLANNING & PROGRAMMING COMMITTEE  
FEBRUARY 17, 2000

Metropolitan  
Transportation  
Authority

One Gateway Plaza  
Los Angeles, CA  
90012-2952

**SUBJECT: HOLLYWOOD/WESTERN JOINT DEVELOPMENT:  
CONCLUSION OF EXCLUSIVE NEGOTIATIONS WITH  
McCORMACK BARON**

**ACTION: RECEIVE AND FILE**

**RECOMMENDATION**

Receive and file this report on the status of negotiations with McCormack Baron (the "Developer") for a Phase Two Joint Development at the Metro Red Line Hollywood/Western Station.

**ISSUE**

In July 1999, the Board authorized staff to continue exclusive negotiations with the Developer for an additional six months for a mixed-use affordable housing project, including day care, at the Hollywood/Western portal. The period of exclusive negotiations expires on February 24, 2000, if not extended by the Board. The MTA has been negotiating potential business terms with the Developer, the Community Redevelopment Agency (CRA) of the City of Los Angeles, the Los Angeles City Housing Department, and the Hollywood Community Housing Corporation (HCHC). Currently the parties remain far apart on the value the MTA should receive for its property. The Developer is offering a lease value that is 57% of the MTA's appraised fair market value. MTA staff does not intend to continue negotiating beyond the current exclusive negotiating period unless the Developer and the involved City agencies offer the MTA a higher lease rate consistent with the fair market value of the property.

**DISCUSSION**

In January 1999, the Board approved the conveyance of an MTA parcel at the Hollywood/Western Metro Red Line Station to the CRA to facilitate the construction of Phase One of a two-phased development by the Developer. The Board authorized staff to negotiate exclusively with the Developer for six months for the Phase Two development. As part of that action, the Board relieved the Developer and the CRA of a previous MTA requirement that the Ground Lease and Joint Development Agreement for Phase Two be completed prior to the conveyance of the Phase One parcel. To implement the Board action, the MTA, the Developer, and the City executed an Exclusive Right to Negotiate Agreement (ERN) on February 17, 1999, which includes the goal that the MTA obtain an

appropriate, fair and equitable rate of return consistent with the fair market value of the MTA land (Attachment A). With the ERN in place, the MTA conveyed the Phase One parcel, valued at \$193,000, without immediate compensation, but secured via a promissory note and letter of credit obtained from the CRA.

In July 1999, the Board extended the negotiating period for six months, ending February 24, 2000. Staff had intended that this be the final time extension. The Developer submitted a ground lease offer to the MTA on December 7, 1999, almost a year into the negotiating period. Notwithstanding the statements in the ENA regarding fair market value, the Developer and the City have indicated that: (1) the City has contributed as much as it can to the affordable housing project; and (2) the MTA should accept the Developer's offer in light of the community's great need for affordable housing and child care facilities. The Developer's current negotiating position is inconsistent with the ENA. Staff is willing to consider extending the negotiations if the Developer and City indicate the availability of additional grant funding/subsidy or an ability to refine the project to lessen the need for subsidy so that the MTA may receive a return commensurate with the property's value.

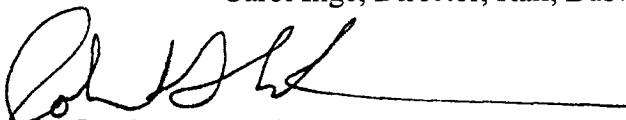
**NEXT STEPS**

If the exclusive negotiations end and the Developer/City have not indicated an ability to provide market rate compensation, MTA staff will: (1) redeem the promissory note and letter of credit for \$193,000, plus interest, for the conveyance of MTA property for the Phase One affordable housing project, and (2) initiate a selection process for a new developer.

**ATTACHMENT(S)**

Attachment A: Exclusive Right to Negotiate Agreement

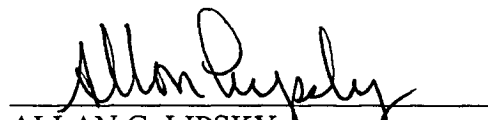
Prepared by: Kevin Michel, Transportation Planning Manager  
Carol Inge, Director, Rail, Busway, Bikeway Planning/Station Area Development



ROBERT D. CASHIN  
Deputy Executive Officer  
Transportation Development  
and Implementation



JAMES L. de la LOZA  
Executive Officer  
Regional Transportation Planning  
and Development



ALLAN G. LIPSKY  
Office of the Chief Executive Officer

file: u:kjm2\jd\_139\_HW\_Brd\_Rept\_Feb\_2000\_v09

EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT

between

McCORMACK BARON AND ASSOCIATES INC.,

THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES

HOLLYWOOD COMMUNITY HOUSING CORPORATION

and the

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

for the development of

PROPERTIES ADJACENT TO HOLLYWOOD/WESTERN

METRO RAIL STATION

## EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT

This AGREEMENT is made as of this 7 day of Feb, 1999 by and among McCORMACK BARON AND ASSOCIATES INC., a Missouri corporation (DEVELOPER), HOLLYWOOD COMMUNITY HOUSING CORPORATION, a California non-profit corporation (HCHC), THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES (CRA) and THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY (MTA), (collectively, the "PARTIES").

### RECITALS

- 1 The MTA is the owner of approximately 56,600 square feet of real property located in the City of Los Angeles and depicted in Exhibit "A", the Site Map attached hereto (the "Site"). The Site is currently used for construction of MTA's Hollywood/Western Metro Rail Station, and a portion of the Site will be developed as a Metro Rail station portal.
- 2 The Site is located in the Hollywood Redevelopment Project of City of Los Angeles Community Redevelopment Agency (the "CRA"), and is the site for Phase Two of the Project described in the Cooperation Agreement between CRA and MTA dated March 6, 1996 and attached hereto as Exhibit "B."
- 3 In response to a request for proposals (RFP) issued by the CRA in cooperation with the MTA, the DEVELOPER submitted a proposal that encompasses the development of the Phase One and Phase Two sites (the "Project") as described in the Cooperation Agreement, and in the Report to the MTA Board of Directors dated January 21, 1999, as amended by the Board of Directors on in a public meeting held on January 28 1999 and reflected in the Minutes thereof, attached hereto as Exhibit "C."

- 4 On May 23, 1996 CRA and Western/Carlton Apartments L.P. , a California limited partnership (WCA), in which DEVELOPER is the General Partner, entered in to an Disposition and Development Agreement to develop Phase One of the Project. a copy of which is attached hereto as Exhibit "D."
- 5 On December 20, 1995 the MTA Board of Directors authorized the Cooperation Agreement, and on March 27, 1996 approved the execution of a Joint Development Agreement (JDA) and CRA's selection of the DEVELOPER.
- 6 Comprehensive planning around the station site is important to:
- 6.1 Jointly develop or lease MTA-owned property with the private sector for the purpose of establishing long-term revenues to support Metro Rail operating and maintenance requirements;
  - 6.2 Encourage land uses which are designed to enhance Metro Rail system ridership and provide needed public amenities during Metro Rail operation;
  - 6.3 Ensure that all uses of MTA-owned property are consistent with local jurisdiction's adopted land use plans;
  - 6.4 Create development which increases mobility, economic development (including job creation), and meets other community needs.
- 7 The Parties desire to coordinate the development of the Phase One and Phase Two Projects which includes: (1) The conveyance of the MTA Phase One Parcel, as depicted in Exhibit "A" and described in the Grant Deed, attached hereto as Exhibit "E", to CRA and (2) The ground lease of the Site to Developer.
- 8 Development on the Phase One and Phase Two properties would allow such development to support the following goals:
- 8.1 Facilitate the development of a mixed use project that would include housing and retail development;
  - 8.2 Establish long term revenue to support Metro Rail operating and maintenance requirements by providing MTA with an appropriate, fair and equitable rate of return on the fair market value of the MTA land;

- 8.3 Coordinate construction of the Project to assure its timely completion and no adverse impact on the MTA's station construction schedule, budget and start of revenue operations;
  - 8.4 Develop a Project design that meets MTA's station portal and plaza design requirements;
  - 8.5 Provide for MTA's long term interests in the operation and maintenance of the Metro Rail station; and
  - 8.5 Coordinate with and support the CRA and City of Los Angeles approval of the entire Project.
- 9 The parties have agreed that DEVELOPER will be given an exclusive right to negotiate the terms of and prepare a Joint Development Agreement and Ground Lease ("the JDA") with respect to the MTA Site.

#### A G R E E M E N T

The DEVELOPER, CRA, HCHC and MTA (collectively the "Parties") agree to negotiate exclusively to enter in to a JDA between all Parties and a Ground Lease of the Site by MTA to DEVELOPER upon the following terms and conditions:

1 Agreement to Negotiate Exclusively: Good Faith Negotiations.

The MTA agrees that, during the Negotiation Period (as defined in Section 2 below) and provided that DEVELOPER is not in default of any of its obligations under this Agreement, it shall negotiate exclusively and in good faith with DEVELOPER with respect to a JDA and Ground Lease to be entered into between the MTA and DEVELOPER concerning the rights and obligations of the Parties respecting the development of the Site. MTA shall not solicit or entertain offers of proposals from other parties concerning the Site; provided, however, DEVELOPER acknowledges MTA may, from time to time, be contacted by other developers respecting the Site and that such contact is expressly permitted so long as MTA does not initiate the contact and indicates to such other developers that the MTA has executed an Exclusive Right to Negotiate Agreement (ERN) with DEVELOPER and that the MTA is unable to discuss anything concerning MTA's negotiations with DEVELOPER, entertain any

offer or proposals, or to negotiate with any other developer until the ERN expires or is terminated.

The Parties agree, in consideration of this ERN, to negotiate in good faith with each other, with respect to the terms and conditions to be included in the JDA and Ground Lease and to cooperate in the preparation thereof. The Parties will provide each other with any information regarding the Site or Project which may be reasonably requested by the other Party. The JDA and Ground Lease will be negotiated in accordance with the intent, conditions and assumptions of the following actions and agreements, which are incorporated herein by reference:

- a. MTA Board Reports and all attachments dated December 10, 1995, March 27, 1996 and January 28, 1999 (Exhibit "C").
- b. Cooperation Agreement between MTA and CRA dated March 27, 1996 (Exhibit "B"), as amended by later actions of the parties.

## 2. Period of Negotiation

The Parties agree to negotiate for a period of six months from the Effective Date, as defined in Section 13 hereof. ("Negotiation Period"). If, prior to expiration of the Negotiation Period, the Parties have not executed a JDA satisfactory to the Parties respecting the Site, then the Parties may extend the term of this ERN for an additional period of up to six months, subject to MTA Board approval. If the Parties cannot agree upon such an extension this ERN shall automatically terminate.

The Negotiation Period may be extended only in a written agreement to be executed by the MTA and DEVELOPER and no other act or failure to act by the MTA or any of its Representatives shall result in an extension of the Negotiation Period.

If the Parties have not executed the JDA by such date, then this ERN shall automatically terminate.

Upon termination of this ERN, any interest that DEVELOPER may have hereunder shall cease and the MTA shall have the right to thereafter deal with the Site as it shall determine appropriate in its sole discretion.

This ERN may also be terminated if both parties agree in writing that a successful consummation of the negotiations is impossible.

3 Tests and Surveys.

During the Negotiation Period, DEVELOPER shall, promptly and concurrently with the negotiations provided for herein conduct such tests, surveys and other analyses as the DEVELOPER deems necessary of the feasibility of designing, constructing, leasing, and financing the Project and shall complete such tests, surveys, and other analyses as promptly as possible within the Negotiation Period. For these purposes, the MTA shall provide to DEVELOPER, its agents, and representatives, the right to enter onto the Site and to conduct such tests, surveys and other procedures ("Tests"). The Site is an active Metro Rail construction area, and such Tests shall not interfere with the Metro Rail construction or other MTA activities on the Site. DEVELOPER shall indemnify and hold harmless the MTA from any loss, cost or damage (including, without limitation, reasonable attorneys' fees) arising out of any such entry on the Site by DEVELOPER. DEVELOPER shall present MTA with evidence of a general liability insurance policy in an amount of at least \$10 million dollars, naming the MTA as additional insured. The insurance policy shall cover all liability and property damage arising from DEVELOPER's employees' presence on the Site during Tests.

4 Essential Terms.

DEVELOPER's rights and obligations shall be as specifically set forth in the JDA and shall include without limitation the following:

- 4.1 Design of the Project, including transportation connections, subject to approval rights of the MTA and compliance with all requirements and regulations of the City of Los Angeles and other public agencies having jurisdiction, including without limitation applicable zoning.
- 4.2 Construction of all improvements comprising the Project, the completion of which shall be (i) assured by DEVELOPER upon terms mutually agreeable to the Parties, (ii) free of mechanics' liens and liens other than those respecting the financing of the development of the Project, and (iii) on a schedule which is subject to and coordinated with MTA's schedule for construction of Metro Rail improvements on the Site.
- 4.3 Operation and maintenance of the Project including specifically, but without limitation, regulation of signage for the Project as it relates to the Site, and specifically how it relates to the Metro Rail Portal on the Site and to other access to public transportation.



4.4 Restrictions on transfer of the Project, DEVELOPER's interest in the JDA, and any subsequent Ground Lease or instrument or conveyance, and control of DEVELOPER.

4.5 The manner, amount and timing of the rent or other payments by DEVELOPER to the MTA under Ground Lease or other agreement and all other terms of a Ground Lease or other agreement.

4.6 Security to assure DEVELOPER's performance under the JDA.

#### 5 Topics for Negotiation

The topics of negotiation shall include, among other things: (i) the quality and type of construction; (ii) proposed land uses; (iii) aesthetic considerations; (iv) site layout; (v) architecture of improvements to be constructed on the Site, and specifically adjacent to the Metro Rail Portal; (vi) the definitive terms of the proposed Ground Lease covenants, conditions and restrictions affecting the Site; (vii) means of ensuring the MTA's unrestricted right to operate and maintain the Hollywood/Western Metro Rail Station and its adjoining structures; (viii) DEVELOPER's right to lease property; (ix) air rights use; (x) public transit access, circulation and connections; (xi) management of the developments; (xii) preliminary design and architectural concepts and plans; (xiii) method of calculating and paying the Ground Lease; (xiv) environmental responsibilities; (xv) availability of the Site to the DEVELOPER; (xvi) the DEVELOPER's responsibility to execute agreements with the CRA and the City; (xvii) the DEVELOPER's responsibility to obtain environmental clearances, entitlements, and project financing; (xviii) the schedule of performance; (xix) the coordination of the above topics with the negotiation between the CRA and the DEVELOPER; and (xx) any other considerations necessary to fully implement the proposed project in a timely fashion.

#### 6 Letter of Credit and Construction Costs

Prior to and as a condition precedent to the execution of this Agreement by the MTA, DEVELOPER shall submit to the MTA a letter of credit ("Letter of Credit") in the amount of ONE HUNDRED NINETY THREE THOUSAND DOLLARS (\$193,000) to ensure that DEVELOPER and CRA will proceed diligently and in good faith to negotiate and perform all of and DEVELOPER's and CRA's obligations under this ERN and the JDA through the effective date of the ground lease of the site from MTA to Developer.

The purpose of the Letter of Credit is to provide security for payment of the promissory note from CRA to MTA for the sale and conveyance of the Phase One Parcel, as described in Exhibit "D," and which will be executed by the parties thereto of even date herewith. To this end, if a JDA between the Parties for the development of the Site is not executed within the Period of Negotiation, set forth in Section 2 hereof, MTA may draw upon the Letter of Credit for its full amount.

Prior to the draw down of any portion of the Letter of Credit MTA shall provide DEVELOPER with 10 days prior written notice.

During the period of negotiation, DEVELOPER shall not interfere with the construction of the adjacent Metro Rail station that may be occurring on the Site. If it is necessary for DEVELOPER to impact MTA's construction contractor in order to conduct Project activities, and those impacts would result in a change order to MTA's construction contract, MTA's approval will be required and will be conditioned upon DEVELOPER assuming full responsibility for the actual costs of the change order and any other actual MTA costs, and, at MTA's discretion, posting a deposit for the estimated costs.

#### 7 Broker's Fees.

The Parties represent and warrant to each other that no broker or finder has been engaged by any of them, respectively, in connection with the transactions contemplated by this ERN or to its knowledge is in any way connected with any of such transaction. In the event any claim for brokers' or finders' fees is made in connection with the consummation of the transactions contemplated by this ERN, then the Party upon whose statement, representation or agreement the claim is made shall indemnify, save harmless and defend the other Parties from and against such claims.

#### 8 Assignment.

As a condition to any proposed assignment of this ERN DEVELOPER shall be required to make full disclosure to the MTA and CRA of the principals, officers, stockholders, partners, etc., and all other pertinent information concerning the assignee of DEVELOPER and its associates.

Except as to an assignment to an entity controlled or wholly owned by DEVELOPER, or a limited partnership in which DEVELOPER is a general partner, for which the MTA's and

CRA's consent is not required, no assignment by DEVELOPER of its rights and obligations hereunder shall be made without the express written consent of the MTA and CRA which consent may be given or withheld in the sole discretion of the MTA or CRA. Upon any permitted assignment by the DEVELOPER of its rights and obligations hereunder,

DEVELOPER agrees to execute and have the succeeding entity execute such documentation as shall be required by the MTA and CRA to reflect such assignment and, upon execution of such documentation, the succeeding entity shall be deemed DEVELOPER for all purposes under this ERN. Notwithstanding anything which may be or appear to be herein to the contrary, no assignment hereof by DEVELOPER shall relieve DEVELOPER of its obligations under this ERN unless specifically agreed to by MTA and CRA.

DEVELOPER shall, along with any request for approval of any assignments hereof, deliver to MTA and CRA the most recent financial statement and/or the financial statements of the assignee. MTA and CRA understand and acknowledge the proprietary nature of said information and, to the extent permitted by law, agree not to disclose said information to any person or entity other than representatives of the MTA, CRA, or its consultants, having a need to know.

MTA shall not assess a fee for its approval of any assignment, except to the extent that it incurs direct administrative expenses, consultant or legal fees related to approval of the assignment.

#### 9 MTA Obligations

During the Term of this ERN, MTA shall deliver any existing information, studies, reports, site and construction plans or other documents which DEVELOPER may reasonably request to facilitate the Project design and proper integration of the Project with the station. The MTA and DEVELOPER shall cooperate to ensure timely review and revision of any DEVELOPER documents or plans. In this regard, MTA shall provide DEVELOPER within thirty (30) days after DEVELOPER's written request, any information, studies or test results relating to the condition of the Site and the suitability of the Site for DEVELOPER's proposed use.

Except as expressly provided in this ERN, MTA shall have no obligations or duties hereunder and no liability whatsoever in the event the Parties fail to timely execute a JDA.

DEVELOPER acknowledges and agrees that MTA has not agreed to fund, subsidize or otherwise financially contribute in any manner toward the development of the Project.

By its execution of this ERN, MTA is not committing itself to or agreeing to undertake: (i) disposition of land to DEVELOPER; or (ii) any other acts or activities requiring the subsequent independent exercise of discretion by MTA. The Parties recognize that one or more of the conditions to DEVELOPER's proposal set forth herein may fail to be met as a result of subsequent studies, reviews and proceedings involving the exercise of discretion by MTA or any public agency having regulatory jurisdiction.

Execution of this ERN by MTA is an agreement to enter into a period of exclusive negotiations according to the terms hereof, reserving final discretion and approval by MTA as to any JDA and ground lease.

As between the DEVELOPER and MTA, DEVELOPER shall bear the cost of complying with the California Environmental Quality Act and the National Environmental Protection Act by preparation of an environmental impact report or other proper documents.

#### 10 Non-Liability of MTA Officials and Employees.

Without limiting the provisions set forth herein, no member, official, representative, director, staff member, attorney or employee of MTA shall be personally liable to DEVELOPER or any successor in interest, in the event of any default or breach by MTA or for any amount which may become due to DEVELOPER or to his successor, or on any obligations under the terms of this ERN.

#### 11 Plans, Reports, Studies and Investigations.

Upon request by MTA, DEVELOPER shall provide MTA, without cost or expense to MTA, copies of all plans, reports, studies, or investigations (collectively, "Plans") prepared by or on behalf of DEVELOPER which the DEVELOPER owns or has the copyrights to with respect to the Site and the Project. All Plans shall be prepared at DEVELOPER's sole cost and expense and DEVELOPER agrees to indemnify, defend and hold the MTA and their representatives, employees, staff members, officials, directors, attorneys, successors and assigns (collectively, "Representatives") harmless from any losses, liabilities, claims, causes of action, injury or expenses, including without limitation, reasonable attorneys' fees and costs

(collectively, "Losses and Liabilities") arising from or in any way related to the cost of preparation of such Plans.

## 12 Developer's Responsibilities.

MTA, CRA and all agencies having regulatory jurisdiction will require planning and design approval for the Project. DEVELOPER shall meet with representatives of the MTA and CRA to review and come to a clear understanding of the planning and design criteria required by MTA and CRA. Without limiting any other provision of this ERN, during the period of negotiations hereunder, DEVELOPER, at its sole cost and expense, shall prepare and submit the following documents and perform the following acts, all in furtherance of the negotiation process:

12.1 DEVELOPER shall submit to MTA and CRA within 30 days after execution of this Agreement a Project development schedule including milestones for the negotiation of the JDA within the Period of Negotiation (Section 2), site control, financing commitments, design, environmental/entitlement, MTA site need dates, construction and completion.

12.2 The schedule for negotiation of the JDA shall include milestones for submittal to MTA of:

12.2.1 Revised or updated Project design concept plan, including specifically with respect to the Site, a site plan and sections as necessary to describe the proposed scope and schedule of the Metro Rail station construction interface, the station portal design and the plaza design.

12.2.2 Financing plan/economic projection for the Project. The financing plan shall include a detailed statement about the overall costs of construction and, to the extent it is then available, the source and availability of equity capital, construction and long-term development financing. The economic projection shall estimate income to be derived from the Project, operating costs and debt service and shall include a proforma statement of Project return adequate to enable MTA to evaluate the economic feasibility of the proposed development of the Project. Prior to expiration of the Negotiation Period, DEVELOPER shall update the financing plan to include the source

and availability of equity capital, construction and long-term development financing if not previously included in the plan, including any financial assistance required of the City of Los Angeles, the CRA, or other public agencies.

12.2.3 Proposed term sheet for the long term ground lease of the Site. The proposal will include, without limitation:

12.2.3.1 Consideration to MTA based upon the fair market value of the Site:

12.2.3.2 Recognition that MTA will not subordinate its fee interest in the Site:

12.2.3.3 Recognition of costs, if any, incurred by or for the benefit of either party to achieve design objectives or construction interfaces:

12.2.3.4 Description of any reciprocal access rights related to the common use of areas within the Site.

12.2.4 To support negotiation of the ground lease, the developer agrees to disclose to the MTA all costs and revenue projections for the proposed project.

12.3 Further Information. The MTA reserves the right at any time to request from DEVELOPER additional information including, without limitation, information, data, and commitments to ascertain the depth of DEVELOPER's capability and desire to lease and develop the Site expeditiously. The MTA will provide a reasonable time in which DEVELOPER may obtain and submit to the MTA such additional information.

12.4 DEVELOPER shall reimburse MTA its normal plan check fees, including costs to pay it's engineering and construction management consultants, if necessary, for additional services required to evaluate the impact of the Developer's proposed Project design on MTA's adjacent Metro Rail station

13 Effective Date.

This ERN shall be deemed effective upon the date of conveyance of MTA Phase I Parcel to ("Effective Date").

14 Entire Agreement: Attorneys' Fees.

This ERN represents the entire agreement of the Parties with respect to the matters set forth herein. This ERN may not be amended except in a writing signed by both of the Parties hereunder. If either Party brings an action or files a proceeding in connection with the enforcement of its respective rights or as a consequence of any breach by the other Party of its obligations hereunder, then the prevailing Party in such action or proceeding shall be entitled to have its reasonable attorneys' fees and costs paid by the losing Party.

15 Covenant Against Discrimination.

DEVELOPER shall not discriminate against nor segregate any person, or group of persons on account of sex, race, color, age, marital status, religion, handicaps, creed, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site, nor shall the DEVELOPER establish or permit any such practice or practices of discrimination or segregation in the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Site.

16 Notices.

All notices required or permitted hereunder shall be delivered in person, by overnight courier, or by registered or certified mail, postage prepaid, return receipt requested to such Party at its address shown below, or to any other place designated in writing by such Party.

MTA:

Los Angeles County Metropolitan Transportation Authority  
Attention: Kevin Michel, Mail Stop 99-22-5  
One Gateway Plaza  
Los Angeles, CA 90012-2932

With copy to:

Office of the County Counsel  
Attention: Jeffrey J. Lyon  
One Gateway Plaza, 24<sup>th</sup> Floor  
Los Angeles, CA 90012-2932

CRA:

Community Redevelopment Agency  
Attention: John McCoy  
354 S. Spring Street, Suite 700  
Los Angeles, CA. 90013

DEVELOPER:

McCormack Baron & Associates  
Attention: Dalila T. Sotelo  
1101 Lucas Avenue  
St. Louis. MO 63101-1179

HCHC:

Hollywood Community Housing Corporation  
Attention: Christina Duncan  
1728 North Whitley avenue  
Hollywood, CA 90028

Any such notice shall be deemed received upon delivery, if delivered personally, (1) the next business day after delivery by a courier, if delivered by courier, and three (3) days after deposit into the United States Mail, if delivered by registered or certified mail.




IN WITNESS WHEREOF, the MTA and DEVELOPER have signed this Agreement as of the date first set forth above.


DEVELOPER

By:   
Its: VICE PRESIDENT


MTA

By:   
Its: EO-RTPD

CRA

By:   
Its: Deputy Administrator Housing Services

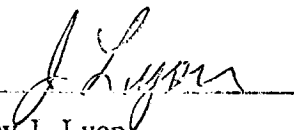
HCHC

By:   
Its: Executive Director

Approved as to form:

Lloyd W. Pellman

County Counsel

By:   
Jeffrey J. Lyon

Principal Deputy County Counsel