



AGENDA

REGULAR MEETING OF THE CARSON RECLAMATION AUTHORITY

“In accordance with the Americans with Disabilities Act of 1990, if you require a disability related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please call the City Clerk’s office at 310-952-1720 at least 48 hours prior to the meeting.” (Government Code Section 54954.2)

CALL TO ORDER: CARSON RECLAMATION AUTHORITY

ROLL CALL:

CLOSED SESSION: (NONE)

ORAL COMMUNICATIONS – CLOSED SESSION ITEMS ONLY

ANNOUNCEMENT OF CLOSED SESSION ITEMS

RECESS INTO CLOSED SESSION

RECONVENE: OPEN SESSION

REPORT ON CLOSED SESSION ACTIONS

ORAL COMMUNICATIONS – MEMBERS OF THE PUBLIC (LIMITED TO ONE HOUR)

The public may address the members of the Carson Reclamation Authority on any matters within the jurisdiction of the Carson Reclamation Authority or on any items on the agenda of the Carson Reclamation Authority, other than closed session matters, prior to any action taken on the agenda. Speakers are limited to no more than three minutes, speaking once. Oral communications will be limited to one(1) hour unless extended by order of the Chair with the approval of the Authority Board.

APPROVAL OF MINUTES:

WEDNESDAY, NOVEMBER 4, 2015 (ADJOURNED REGULAR)

TUESDAY, DECEMBER 1, 2015 (REGULAR)

TUESDAY, MAY 3, 2016 (REGULAR)

CONSENT (Items 1-4)

These items are considered to be routine items of AUTHORITY business and have, therefore, been placed on the CONSENT CALENDAR. If AUTHORITY wishes to discuss any item or items, then such item or items should be removed from the CONSENT CALENDAR. For items remaining on the CONSENT CALENDAR, a single motion to ADOPT the recommended action is in order.

Item No. 1. 2016-770 CONSIDER RESOLUTION NO. 16-12-CRJPA APPROVING CLAIMS AND DEMANDS IN THE AMOUNT OF \$396,227.01

- Recommendations:** TAKE the following actions:
1. APPROVE Resolution No. 16-12-CRJPA, "A RESOLUTION OF THE CARSON RECLAMATION AUTHORITY OF THE CITY OF CARSON, CALIFORNIA, APPROVING CLAIMS AND DEMANDS IN THE AMOUNT OF \$396,227.01."
 2. AUTHORIZE the Chairman to execute the Resolution following approval as to form by the Authority Counsel.

Item No. 2. 2016-741 CONSIDER CARSON RECLAMATION AUTHORITY MONTHLY INVESTMENT PORTFOLIO REPORT

Recommendations: RECEIVE and FILE

Item No. 3. 2016-772 APPROVAL OF WORK ORDER REQUESTS FROM TETRA TECH BY THE CARSON RECLAMATION AUTHORITY, REPLACING PREVIOUSLY APPROVED CHANGE ORDERS AND AUTHORIZING ADDITIONAL TASKS IN THE AMOUNT OF \$659,381

Recommendations: APPROVE Work Order Request to approve Work Orders 34, 35, and 40, listed and described below in the total amount of \$659,381, which have been reviewed and approved by the CRA's project manager and the environmental consultant

Item No. 4. 2016-773

EXCLUSIVE RIGHT TO NEGOTIATE AND A REIMBURSEMENT AGREEMENT WITH CAM-CARSON, LLC, A DELAWARE LIMITED LIABILITY CORPORATION AND AN AFFILIATED ENTITY OF MACERICH, FOR THE DEVELOPMENT OF A FASHION OUTLET RETAIL CENTER ON CELL 2 OF A 157-ACRE PARCEL OWNED BY THE CARSON RECLAMATION AUTHORITY, THE FORMER CAL-COMPACT LANDFILL

Recommendations: TAKE the following actions:

1. APPROVE the Exclusive Right to Negotiate with CAM-CARSON, LLC, a Delaware limited liability company.
2. APPROVE the Reimbursement Agreement with CAM-CARSON, LLC, a Delaware limited liability company.
3. AUTHORIZE the Chairman to execute the Agreement and all related documents in a form acceptable to the Authority Counsel.

SPECIAL ORDERS OF THE DAY (NONE)

Public testimony is restricted to three minutes per speaker, speaking once (excepting applicants who are afforded a right of rebuttal, if desired), unless extended by order of the Chair with the approval of the Authority.

DISCUSSION (NONE)

ORDINANCE SECOND READING (NONE)

ORAL COMMUNICATIONS (MEMBERS OF THE PUBLIC)

The public may at this time address the members of the Carson Reclamation Authority on any matters within the jurisdiction of the Carson Reclamation Authority. No action may be taken on non-agendized items except as authorized by law. Speakers are requested to limit their comments to no more than three minutes each, speaking once.

ORAL COMMUNICATIONS (AUTHORITY MEMBERS)

ANNOUNCEMENT OF UNFINISHED OR CONTINUED CLOSED SESSION ITEMS (AS NECESSARY)

RECESS TO CLOSED SESSION

RECONVENE TO OPEN SESSION

ADJOURNMENT



File #: 2016-770, Version: 1

Report to Carson Reclamation Authority

Tuesday, July 05, 2016

Consent

SUBJECT:

CONSIDER RESOLUTION NO. 16-12-CRJPA APPROVING CLAIMS AND DEMANDS IN THE AMOUNT OF \$396,227.01

I. SUMMARY

This action approves invoices in the amount of \$396,227.01 submitted for work pursuant to contracts and agreements previously approved by the Carson Reclamation Authority (CRA) Board.

II. RECOMMENDATION

TAKE the following actions:

1. APPROVE Resolution No. 16-12-CRJPA, "A RESOLUTION OF THE CARSON RECLAMATION AUTHORITY OF THE CITY OF CARSON, CALIFORNIA, APPROVING CLAIMS AND DEMANDS IN THE AMOUNT OF \$396,227.01."
2. AUTHORIZE the Chairman to execute the Resolution following approval as to form by the Authority Counsel.

III. ALTERNATIVES

1. TAKE another action the Authority deems appropriate.

1.

IV. BACKGROUND

Since May, 2015 the CRA Board has taken a number of actions to move the

remediation of the former Cal-Compact Landfill project forward and to create systems that allow the review and approval of the work undertaken by the remediation contractor, Tetra Tech, and other contractors and consultants in a fair but transparent manner.

This action includes the approval of a Claims and Demands Resolution approving several Tetra Tech invoices (payment request nos. 145-158), which have been reviewed and approved by the CRA's Project Manager (SEG Advisors) and Environmental Services Advisor (SCS Engineers), prior to staff approval. It also approves a payment to the City of Carson for CRA Project Management and visioning consultant PlaceWorks, as well.

V. FISCAL IMPACT

The total expenditure in this period is \$396,227.01.

VI. EXHIBITS

1. Resolution No. 16-12-CRJPA. (pgs. 3-4)

Prepared by: John Raymond, Community Development Director

RESOLUTION NO. 16-12-CRJPA

RESOLUTION NO. 16-12-CRJPA, A RESOLUTION OF THE CARSON RECLAMATION AUTHORITY RATIFYING CLAIMS AND DEMANDS IN THE AMOUNT OF \$396,227.01

THE CARSON RECLAMATION AUTHORITY DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1: The following claims and demands have been audited as required by law and are hereby ratified in the amount hereinafter set forth:

Payee Name	Payment Number	Purpose	Invoice Number	Payment Amount
Tetra Tech	146	COR 209: Storm Water Pollution Pre	51046299	\$9,886.41
Tetra Tech	147	WO18: Evaluate & Design	51046301	\$8,282.57
Tetra Tech	148	WO25: CRA Project Management	51045304	\$63,913.66
Tetra Tech	149	WO21: Site Security & Maintenance	51046715	\$60,486.00
Tetra Tech	150	WO19: Perimeter Air Monitoring	510467056	\$41,828.06
Tetra Tech	151	WO20: Vector Control	51046713	\$4,761.93
Tetra Tech	152	WO22: Watering Prescriptive Cover	51046739	\$9,793.47
Tetra Tech	153	WO24: LFGETS OM&M	51046752	\$69,053.91
Tetra Tech	154	WO16: Import of Fill & Stockpiling	51046768	\$56,585.82
Tetra Tech	155	WO17: Interim Air Intrusion Controls	51046774	\$206.92
Tetra Tech	156	WO23: Maintain Storage Yard	51047698	\$940.72
Tetra Tech	157	WO27: SWPP Implementation	51047702	\$41,705.43
Tetra Tech	158	WO28: Support & Coordinate Design	51047704	\$6,319.53
Total Tetra Tech				\$373,764.43
City of Carson		CRA Project Management		\$13,539.82
PlaceWorks		Visioning Consultant		\$8,922.76
Total Other Invoices				\$22,462.58
TOTAL OF ALL INVOICES				\$396,227.01

On July 5, 2016, the Carson Reclamation Authority ratified the above Demands and the City Treasurer is hereby directed by pay, out of the funds named hereon, to each of the Claimants listed above, the amount of warrant appearing opposite their respective names, for the purpose stated on the respective demands, making a total of \$396,227.01.

PASSED, APPROVED and ADOPTED this 5th day of July, 2016.

CARSON RECLAMATION AUTHORITY, a
public body

By: _____
Chairman Albert Robles

ATTEST:

Deputy Secretary Joy Simarago

CERTIFICATION

In accordance with Section 37.202 of the California Government Code, I hereby certify that the above demands are accurate and that funds are available for payment thereof. I certify under penalty of perjury that the foregoing is true and correct.

EXECUTED THE _____ DAY OF
_____ AT CARSON, CALIFORNIA

DEPUTY SECRETARY
JOY SIMARAGO



File #: 2016-741, Version: 1

Report to Carson Reclamation Authority

Tuesday, July 05, 2016

Consent

SUBJECT:

CONSIDER CARSON RECLAMATION AUTHORITY MONTHLY INVESTMENT PORTFOLIO REPORT

I. SUMMARY

For review is the Carson Reclamation Authority Investment Portfolio detailing assets held in compliance with the Reclamation Authority Investment Policy and Bond Indenture. As of this writing, the total invested assets for the Reclamation Authority is \$44,301,746.11. During the month of June two CD's matured with a total value of \$4 million dollars. Two million was re-invested in 1 year CDs while the remaining two million were placed in a money market account for upcoming CRA expenses. Cash Assets held in the Authority demand account is \$1,088,089.38. Total assets for the Carson Reclamation Authority are \$45,389,835.38. The current rate of return is .871%.

II. RECOMMENDATION

Receive and File

III. ALTERNATIVES

None

IV. BACKGROUND

The Carson Reclamation Authority Investment Report is provided to the legislative body to keep the body abreast of the Reclamation Authority reserve and active funds. This report is provided monthly to enhance transparency and accountability of Reclamation Authority Bonds funds. Currently all idle bond funds are invested as outlined in the Investment policy, government code and bond indenture.

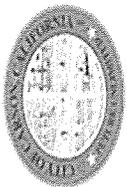
V. FISCAL IMPACT

None

VI. EXHIBITS

Exhibit 1 pg.3 through 6

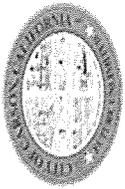
Prepared by: Monica Cooper- Carson Reclamation Authority Treasurer



Carson Reclamation Authority Monthly Investment Report As of 6/30/2016

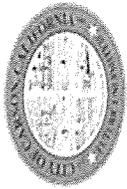
Description	CUSIP/Ticker	Security Type	Face Amount/Shares	Cost Value	Market Value	Coupon Rate	YTM @ Cost	Maturity Date	% of Portfolio
Beal Bank 0.65 12/7/2016	07370WXH4	Certificate Of Deposit	250,000.00	250,000.00	250,225.00	0.650	0.650	12/7/2016	0.56
Berkshire Bank FDIC 0.6 12/23/2016	084601FP3	Certificate Of Deposit	200,000.00	200,000.00	200,120.00	0.600	0.600	12/23/2016	0.45
BNY Cash Reserve Account Cash	MM9588	Cash	611,308.09	611,308.09	611,308.09	0.020	0.020	N/A	1.38
Cadence Bank NA Starkville MS Birmingham 0.55 7/29	12738RCS1	Certificate Of Deposit	250,000.00	250,000.00	250,050.00	0.550	0.550	7/29/2016	0.56
Dallas Capital Bank National 0.5 10/17/2016	234553AB1	Certificate Of Deposit	245,000.00	245,000.00	245,073.50	0.500	0.500	10/17/2016	0.55
East West Bank 1.1 4/4/2017	0178863769	Certificate Of Deposit	2,000,000.00	2,000,000.00	2,000,000.00	1.100	1.100	4/4/2017	4.51
East/West Bank 1.1 4/14/2017	0178333070	Certificate Of Deposit	2,000,000.00	2,000,000.00	2,000,000.00	1.100	1.100	4/14/2017	4.51
East/West Bank 1.1 4/14/2017	0178738461	Certificate Of Deposit	2,000,000.00	2,000,000.00	2,000,000.00	1.100	1.100	4/14/2017	4.51
East/West Bank 1.1 5/25/2017	178013804	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	1.100	1.100	5/25/2017	2.26
East/West Bank 1.1 5/26/2017	178835532	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	1.100	1.100	5/26/2017	2.26
East/West Bank MM	MM8114	Money Market	2,426,690.27	2,426,690.27	2,426,690.27	0.350	0.350	N/A	5.48
FFCB 5.7 7/3/2017	31331L3B2	FFCB Bond	193,000.00	204,584.52	203,149.87	5.700	0.603	7/3/2017	0.44
FHLB 0.691 9/8/2017	3133XMCL3	FHLB Bond	165,000.00	165,000.00	173,355.60	0.691	0.691	9/8/2017	0.37
FHLB 0.71 3/28/2017	3130A7LN3	FHLB Bond	300,000.00	300,016.24	300,528.00	0.710	0.654	3/28/2017	0.68
FHLB 0.71 4/20/2017	3130A7N350	FHLB Bond	1,000,000.00	1,000,000.00	1,000,140.00	0.710	0.710	4/20/2017	2.26
FHLB 0.75 8/17/2017	3130A62S5	FHLB Bond	1,000,000.00	999,960.00	1,001,480.00	0.750	0.753	8/17/2017	2.26

Exhibit 1



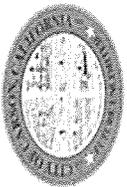
Carson Reclamation Authority Monthly Investment Report As of 6/30/2016

Description	CUSIP/Ticker	Security Type	Face Amount/Shares	Cost Value	Market Value	Coupon Rate	YTM @ Cost	Maturity Date	% of Portfolio
FHLB 0.875 3/19/2018	3130A7CX1	FHLB Bond	500,000.00	500,452.39	501,450.00	0.875	0.826	3/19/2018	1.13
FHLB 0.9 1/26/2018	3130A7SQ9	FHLB Bond	500,000.00	500,000.00	500,395.00	0.900	0.900	1/26/2018	1.13
FHLB 1 6/21/2017	313379DD8	FHLB Bond	500,000.00	502,666.50	501,630.00	1.000	0.533	6/21/2017	1.13
FHLB 1.03 10/27/2018	3130A7VL6	FHLB Bond	1,000,000.00	1,000,000.00	1,000,760.00	1.030	1.030	10/27/2018	2.26
FHLB 1.12 12/6/2017	3130A0F21A	FHLB Bond	500,000.00	500,497.15	503,485.00	1.120	1.057	12/6/2017	1.13
FHLB 3.25 3/9/2018	313372SN5	FHLB Bond	300,000.00	310,770.47	312,813.00	3.250	1.295	3/9/2018	0.68
FHLMC 0.85 7/28/2017	3134G8HW2(B)	FHLMC Bond	1,000,000.00	1,000,000.00	1,000,110.00	0.850	0.850	7/28/2017	2.26
FHLMC 0.875 10/27/2017	3134GC9EA1	FHLMC Bond	500,000.00	500,000.00	500,095.00	0.875	0.875	10/27/2017	1.13
FHLMC 0.875 11/17/2017	3134G9CG0	FHLMC Bond	500,000.00	499,925.00	500,120.00	0.875	0.884	11/17/2017	1.13
FHLMC 1 9/8/2017	3134G7TB7	FHLMC Bond	1,000,000.00	1,000,060.00	1,000,900.00	1.000	0.995	9/8/2017	2.26
FHLMC 1.05 4/26/2018	3134G9AF4	FHLMC Bond	2,000,000.00	1,999,500.00	2,000,240.00	1.050	1.063	4/26/2018	4.51
FHLMC 1.15 5/18/2018	3134G9ES2	FHLMC Bond	1,000,000.00	1,000,000.00	1,000,510.00	1.150	1.150	5/18/2018	2.26
FHLMC 1.15 5/25/2018	3134G6Y31	FHLMC Bond	200,000.00	200,360.00	200,594.00	1.150	1.062	5/25/2018	0.45
FHLMC 5.55 8/23/2017	3137EAAV5	FHLMC Bond	500,000.00	532,443.62	528,380.00	5.550	0.616	8/23/2017	1.13
FHLMC Step 5/25/2021-16	3134G9JP3A	FHLMC Bond	1,000,000.00	1,000,000.00	1,000,290.00	1.000	2.330	5/25/2021	2.26
Financing Corporation 9.8 11/30/2017	317705AC5	Financing Corporation	500,000.00	570,625.00	564,880.00	9.800	2.532	11/30/2017	1.13
FNMA 5 2/13/2017	31359M4D2	FNMA Bond	1,000,000.00	1,036,570.51	1,028,080.00	5.000	0.386	2/13/2017	2.26
GE Capital Retail Bank 1.85 4/27/2017	36157QCJ4	Certificate Of Deposit	250,000.00	250,000.00	251,825.00	1.850	1.850	4/27/2017	0.56



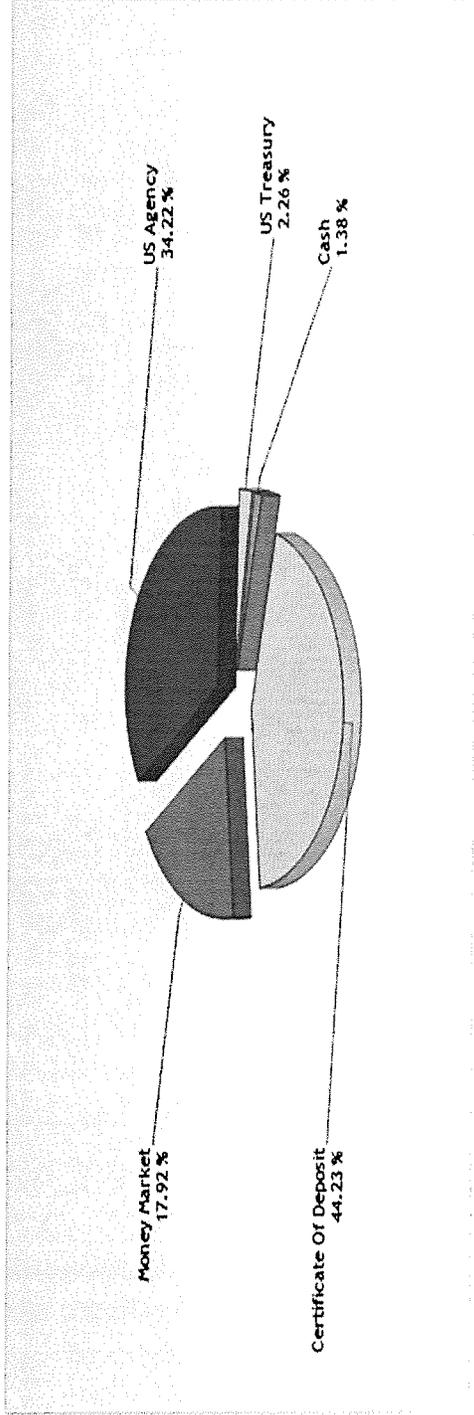
Carson Reclamation Authority Monthly Investment Report As of 6/30/2016

Description	CUSIP/Ticker	Security Type	Face Amount/Shares	Cost Value	Market Value	Coupon Rate	YTM @ Cost	Maturity Date	% of Portfolio
Mizuho Bank 0.5 9/30/2016	60688MSQ8	Certificate Of Deposit	200,000.00	200,000.00	199,920.00	0.500	0.500	9/30/2016	0.45
Preferred Bank 0.75 9/14/2016	306217	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	0.750	0.750	9/14/2016	2.26
Preferred Bank 0.75 9/14/2016	306221	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	0.750	0.750	9/14/2016	2.26
Preferred Bank 0.75 9/14/2016	306218	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	0.750	0.750	9/14/2016	2.26
Preferred Bank 0.75 9/14/2016	306220	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	0.750	0.750	9/14/2016	2.26
Preferred Bank 0.75 9/14/2016	306219	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	0.750	0.750	9/14/2016	2.26
Preferred Bank 0.8 11/12/2016	306202	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	0.800	0.800	11/12/2016	2.26
Preferred Bank 0.8 11/12/2016	306203	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	0.800	0.800	11/12/2016	2.26
Preferred Bank 0.8 8/12/2016	306170	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	0.800	0.800	8/12/2016	2.26
Preferred Bank 1.1 6/21/2017	306263	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	1.100	1.100	6/21/2017	2.26
Preferred Bank 1.1 6/21/2017	306262	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	1.100	1.100	6/21/2017	2.26
Preferred Bank MM	MM2075	Money Market	5,510,747.75	5,510,747.75	5,510,747.75	0.500	0.500	N/A	12.44
Santander Bank NA 0.75 3/2/2017	80280JLW9	Certificate Of Deposit	200,000.00	200,000.00	200,280.00	0.750	0.750	3/2/2017	0.45
T-Note 2.75 5/31/2017	912828NG1	Treasury Note	1,000,000.00	1,024,690.62	1,020,200.00	2.750	1.095	5/31/2017	2.26
Grand Total/Average			44,301,746.11	44,491,868.13	44,489,825.08	1.162	0.871		100



Carson Reclamation Authority Monthly Investment Report As of 6/30/2016

Portfolio Holdings Distribution by Security Sector



Security Sector	Face Amount/Shares	Cost Value	Market Value	% of Portfolio
Cash	611,308.09	611,308.09	611,308.09	1.38
Certificate Of Deposit	19,595,000.00	19,595,000.00	19,597,493.50	44.23
Money Market	7,937,438.02	7,937,438.02	7,937,438.02	17.92
US Agency	15,158,000.00	15,323,431.40	15,323,385.47	34.22
US Treasury	1,000,000.00	1,024,690.62	1,020,200.00	2.26
Total / Average	44,301,746.11	44,491,868.13	44,489,826.08	100



File #: 2016-772, Version: 1

Report to Carson Reclamation Authority

Tuesday, July 05, 2016

Consent

SUBJECT:

APPROVAL OF WORK ORDER REQUESTS FROM TETRA TECH BY THE CARSON RECLAMATION AUTHORITY, REPLACING PREVIOUSLY APPROVED CHANGE ORDERS AND AUTHORIZING ADDITIONAL TASKS IN THE AMOUNT OF \$659,381

I. SUMMARY

These work orders requested by Tetra Tech replace several Change Orders that have been approved by the Carson Reclamation Authority (“CRA” or “Authority”) since July, 2015, and establish the work program for the remediation and infrastructure on the 157-acre site through the end of the fiscal year. In January, 2016 the CRA approved a series of “Work Orders” which replaced existing Change Orders for contracting and billing purposes. Several previously approved change orders remain in place, and there were Work Order requests for new tasks as well. These items are recommended for approval.

II. RECOMMENDATION

APPROVE Work Order Request to approve Work Orders 34, 35, and 40, listed and described below in the total amount of \$659,381, which have been reviewed and approved by the CRA’s project manager and the environmental consultant.

III. ALTERNATIVES

TAKE another action the Reclamation Authority deems appropriate.

IV. BACKGROUND

Pursuant to Sections 4.a. and 4.b. and Section 8 of a Settlement, Release and Indemnity Agreement (“Agreement”) by and between the City of Carson (“City”), the Carson Reclamation Authority (“Authority”), the Successor Agency to the Carson Redevelopment Agency (“Successor Agency”), and Carson Marketplace, LLC, a Delaware limited liability corporation (“CM”), “Assignment and Assumption of Obligations” and “Remediation Work”,

the Authority assumed the obligation to continue the remediation of the 157-acre project site under a Fixed Price Operations and Maintenance Environmental Assurance Agreement (“EAA”) dated December 31, 2007 with Tetra Tech, Inc.

The contract issued under the original EAA with Carson Marketplace is the baseline scope of work. Direct remediation construction costs under the original EAA are paid through a Trust Account held with Wells Fargo Bank. Work beyond the original scope is considered a “Change Order” and subject to the review and approval of the CRA Board. The CRA’s Change Order approval process commenced after it took title to the Property on May 18, 2015. Since October, 2015, Change Orders have been referred to as Work Orders, as they generally reflect new scopes of work.

The following Work Order Requests are recommended for approval:

Work Order #	Description	Requested Amount
34	Perimeter Monitoring	\$268,671
35	Vector Control	39,035
40	Soil/Fill and Stockpiling	361,675
Total		\$659,381

Work Order requests 34 and 35 were not submitted to the CRA in time to be reviewed at the June 8 meeting. Work Order 40 was submitted in June. The Descriptions of the Work Order requests are as follows:

Work Order 34. This Work Order reimburses Tetra Tech for continued perimeter monitoring is required and covers 6 months commencing July 01, 2016 through December 31, 2016. Tetra Tech's previous work order requests and payments for this work through June 30, 2016 are covered under WO-19. The existing perimeter monitoring program is a requirement of the Project Environmental Impact Report (EIR), a general regulatory requirement, and a requirement of several Project plans and permits. This WO request assumes that monitoring will continue at the existing level of effort and scope of work being currently utilized, including the reduction in monitoring stations and sampling frequency that was approved by DTSC in 2010.

Work Order 35. This Work Order reimburses Tetra Tech for continued implementation of required vector control activities and covers 6 months of continued vector control activities commencing July 1, 2016 and running through December 31, 2016. Vector control activities were initially implemented in response to a DTSC requirement to protect the installed clay cover and liner during the extension of the project development schedule by Carson Marketplace (previous owner), and now CRA (current owner). With the already completed and continuing vector control treatments at the site, the gopher and ground squirrel populations have been reduced at the site to a manageable level. However, due to the large size of the site, its current undeveloped condition, and the inability to prevent gophers and squirrels from continuing to enter the site from surrounding properties,

continued vector control is necessary to protect the installed landfill clay cover and liner and perimeter prescriptive clay cap. Current vector control work through June 30, 2016 was completed under WO-20, approved by the CRA.

Work Order 40. This Work Order (WO) request is for import of soil/fill from outside sources and stockpiling this material on site to be used as the protection layer for the landfill cap. Based on the available aerial topographic surveys and the current development plan SP-43, the site will require more fill than what was contemplated for the original development plan SP-33 for providing liner foundation, complete protective cover of the liner in the landfill cap areas, and to reach development final grade. Fill estimates based on the SP-43 site grading plans indicate that over 100,000 cubic yards of imported fill is needed to achieve the SP-43 grade. However, if a final development plan based on an outlet mall in Cell 2 is selected (which is not contemplated in SP-43), the site could be short as much as 200,000 cubic yards. The CRA derives a large cost savings by having Tetra Tech accept free fill as it is available, as opposed to the future developer having to pay for imported fill to satisfy a tight future development schedule. In response, the CRA approved WO-16 in October 2015, under which Tetra Tech will manage the importation of approximately 40,000 to 45,000 cubic yards of fill soil from outside sources and stockpiled the fill on site. The budget for WO-16 was exhausted by June 2016 and needs additional funds to continue importing another 45,000 to 50,000 cubic yards. Tetra Tech submitted this new WO-40 to import and stockpile up to 50,000 cubic yards from outside sources, as requested by the CRA. This WO-40 includes the cost for managing the import of the landfill cap soil, soil testing of off-site sources, grading of stockpiles, and SWPPP implementation for the stockpiles. It is assumed that the providers of the approved soil/fill to be imported will provide all loading at the source and transportation to the site. This estimate also includes the assumption that the providers of the approved soil/fill may charge up to \$1/cubic yard for the material, although this will depend on the changing supply and demand for fill.

V. FISCAL IMPACT

These Work Orders are for the period from July 31, 2016 to December 31, 2016 and are budgeted in the 2016-2017 CRA budget.

VI. EXHIBITS

None.

Prepared by: John S. Raymond, CRA Executive Director



File #: 2016-773, Version: 1

Report to Carson Reclamation Authority

Tuesday, July 05, 2016

Discussion

SUBJECT:

EXCLUSIVE RIGHT TO NEGOTIATE AND A REIMBURSEMENT AGREEMENT WITH CAM-CARSON, LLC, A DELAWARE LIMITED LIABILITY CORPORATION AND AN AFFILIATED ENTITY OF MACERICH, FOR THE DEVELOPMENT OF A FASHION OUTLET RETAIL CENTER ON CELL 2 OF A 157-ACRE PARCEL OWNED BY THE CARSON RECLAMATION AUTHORITY, THE FORMER CAL-COMPACT LANDFILL

I. SUMMARY

The Authority is being asked to consider entering into an Exclusive Right to Negotiate and a Reimbursement Agreement (collectively, the "Agreement") by and between the City of Carson; the Carson Reclamation Authority ("Authority"), a joint powers authority; and, CAM-CARSON, LLC, a Delaware limited liability company ("Developer"), an entity of Macerich of Santa Monica, California, for the development of a high end fashion outlet mall on a portion of the property.

II. RECOMMENDATION

TAKE the following actions:

1. APPROVE the Exclusive Right to Negotiate with CAM-CARSON, LLC, a Delaware limited liability company.
2. APPROVE the Reimbursement Agreement with CAM-CARSON, LLC, a Delaware limited liability company.
3. AUTHORIZE the Chairman to execute the Agreement and all related documents in a form acceptable to the Authority Counsel.

III. ALTERNATIVES

1. TAKE another action the City Council deems appropriate.

1.

IV. BACKGROUND

The 157-Acre Property

On May 18, 2015, the Authority acquired approximately 157 gross acres of real property in the City of Carson, as shown on the Site Map attached hereto as Exhibit "A" of the Agreement (the "Property"). The Property is divided into five (5) Cells as shown on Exhibit "A" and is subject to The Boulevards at South Bay Specific Plan, approved on February 8, 2006, and amended on April 5, 2011 (the "Specific Plan"). The Property is a former landfill site, and on October 25, 1995, the California Department of Toxic Substances Control ("DTSC") approved a Remedial Action Plan ("RAP") for portions of the Property, which RAP requires the installation, operation and maintenance of certain remedial systems, including a landfill cap, gas extraction and treatment system, and groundwater collection and treatment system on the Property ("Remedial Systems").

The Property is the largest tract of undeveloped property in the City, and represents significant potential for public benefit through appropriate development. The development of the Project will provide the economic opportunity to finally remediate the Property some 50 years after closure of the landfill, and finally carry out the purposes of the DTSC Consent Decree and Remedial Action Plan (RAP). Moreover, the Property is currently underutilized, falling substantially short of its commercial, revenue-generating and job-generating potential.

The Property has been vertically subdivided into a surface lot (the "Surface Lot") and a subsurface lot (the "Subsurface Lot"), which lots are referenced on Exhibit "B" of the Agreement as Parcels 1 (Subsurface Lot) and 2 (Surface Lot) of Parcel Map No. 70372. The Authority intends to negotiate with Developer for the conveyance to Developer of the Surface Lot only of Cell 2, which is approximately 46.33 gross acres (the "Cell 2 Site") and the development thereon of a first-class regional fashion outlet shopping center. The Cell 2 Site is located directly southwest of the 405 Freeway, and is uniquely positioned to attract retail and commercial business from Orange County, Long Beach, and the west side of Los Angeles. This creates a prime location for development of large-scale retail uses.

Prior development projects have been proposed on the Property, including the Carson Marketplace and Boulevards mixed use regional retail and entertainment projects and a 75,000-seat NFL Stadium. While these projects have not proceeded, the Developer is currently considering development of the Cell 2 Site, which includes a state-of-the-art approximately 585,000 square foot regional fashion outlet mall (the "Project"). The Project is proposed to provide substantial economic and employment opportunities for the community, with a goal of generating significant new construction and permanent jobs. The Project shall maintain high standards of urban design, architecture, and development, including green building standards, adherence to building codes, best practices for environmental protection, energy efficiency, water conservation, and reduced greenhouse

gas emissions.

During the negotiation period, the Developer will be required to submit more detailed concept plans, site plans and Project descriptions prior to receiving any further Project entitlements from the City. This Agreement is only an agreement to negotiate and does in any way limit the City's discretion in approving or disapproving the Project.

Developer's Qualifications

Prior to the Authority's acquisition of the 157 Acre Site, the Developer was investigating the development of a portion of the Property with the previous owner, and consequently has a working understanding of the development constraints and environmental conditions, and is continuing to conduct its due diligence on the Site. As such, Developer has been investigating the Cell 2 Site with both the Authority and predecessor for over three years, and has spent over 2,000 person-hours in this effort to date.

The Developer and its affiliate Macerich currently own and manage 55 million square feet of regional shopping centers and are the third-largest owner and operator of shopping centers in the United States. They have demonstrated skill and expertise in retail and mixed use real estate development and the ability to attract first class commercial tenants. Headquartered in Santa Monica, the Developer also has substantial local experience, owning Santa Monica Place, Lakewood Center, Los Cerritos Center and Stonewood Mall.

The company has developed a Fashion Outlet in the Chicago area and is developing similar properties in Philadelphia and San Francisco.

Fashion Outlets of Chicago is an enclosed outlet mall located one-half mile west of O'Hare International Airport, in Rosemont, Illinois. It opened on August 1, 2013. The outlet mall contains about 150 stores including Armani, Bloomingdale's Outlet, Neiman Marcus Last Call, Saks Fifth Avenue Off Fifth Outlet as well as well-known fashion brands such as Tory Burch, Prada, Barneys New York, Burberry, Elie Tahari, Longchamp, and Herve Leger. Its location provides easy access for travelers near O'Hare International Airport and they make it a priority to accommodate travelers to be able to shop at the mall by providing them with an area to print tickets and check in their luggage directly. The site in Carson has a similar appeal for travelers at LAX.

In March 2015, Fashion Outlets of Chicago was selected as the 2014 Best Factory Outlet Center in the world at the MAPIC Awards. Created in 1996, the MAPIC Awards reward excellence, innovation and creativity in the retail real estate industry at a prestigious gala dinner attended by 300 of the most influential industry professionals in the world. The mall was also the recipient of ICSC's 2014 U.S. Design and Development Gold.

Negotiations

The City and Developer will negotiate in good faith to enter into a purchase agreement and a long-term development agreement resulting in the conveyance of ownership of the Cell 2 Site to the Developer (the "Conveyance Instrument.") Due to the extraordinary costs of

developing on former landfill, concurrent with negotiating a Conveyance Instrument, the parties will negotiate an arrangement by which Developer may be refunded a share of the annual sales tax revenues generated by the Project (“Tax Sharing”) to the extent necessary to produce an acceptable economic return for the Project.

Within 120 days an Initial Project Schedule shall be developed and Developer and the City shall work diligently to produce a Project plan in such detail as can be produced during such period. At Developer’s option, the Term may be extended for an additional period (the “Extended Term”). During the Term, City and Authority will not negotiate any sort of similar agreements with any other third party regarding the development of the Cell 2 Site except as Developer may otherwise approve in writing, or otherwise enter into any agreements which would limit, hinder, impair, increase the cost of or reduce the revenues from Developer’s Project (Exhibit No. 1).

As part of the development agreements, Developer will agree to (i) develop the Project consistent with all applicable laws, ordinances, regulations, zoning, the General Plan and the applicable specific plan, and (ii) obtain design development review and approval from the City’s Planning Commission and City Council. During the Initial Term, the parties shall use their good faith efforts to reach conceptual agreement on the business terms of the transaction embodied in a draft disposition and development agreement.

During the Additional Period, the Developer shall refine the “Site Plan” specifying the conceptual framework to guide the overall development of the Project. In addition, Developer shall prepare the preliminary design plan for the Project, including design themes, sufficient to allow evaluation of the architectural design and site layout.

During the Term, the Developer shall also provide a detailed pro forma showing the estimated budget for the development and construction of the Project. Developer may seek substantial financial assistance from City, without which the Project would not be economically feasible, including direct financial assistance, sales tax rebates, and installation of offsite public improvements by the City. The Developer acknowledges that the pro forma must justify the requested assistance as required for the Developer’s return on investment. The pro forma shall also show an estimate of the economic return to the City for at least a ten (10) year period after completion of the Project, including all taxes and fees (including proposed Tax Sharing scenarios), and other economic returns to the City as well as jobs and general community benefits.

Reimbursement of City and Authority Costs

City will incur costs relating to the review, processing, preparation and approval of any additional, supplemental or modified entitlements required for the Project, including the preparation and/or review of such plans, studies, permits, conditions, site plans, general plan or zoning entitlements, environmental documents, and agreements as may be required for the Project (“Approvals”).

The Developer shall also enter into a separate Reimbursement Agreement (Exhibit No. 2) to reimburse certain City and Authority costs of negotiating and entering into the Conveyance Instrument, to include out of pocket third party costs for financial analysis,

legal costs and similar costs, and may include all or a portion of the Authority's carry costs for the Cell 2 Site.

Concurrent with executing the Agreement, the Developer shall (i) pay \$1,000,000 to City, and (ii) commence paying or reimbursing the Authority 50% of the carrying costs for the Cell 2 Site.

When and if the Term is extended past the Initial Term (120 days), the extension shall be contingent on Developer paying an additional \$1,000,000 to the City (the "Sales Tax Advance Payment"). The Sales Tax Advance Payment is a prepayment of the City's portion of sales taxes resulting from the Project, and is to be repaid to Developer from those sales taxes as received by the City. If Developer abandons the Project after making the Sales Tax Advance Payment, the City shall retain the Sales Tax Advance Payment, unless City fails (i) to negotiate a development agreement and hold a public hearing thereon, or (ii) at the conclusion of such hearing, the City Council in a final action denies approval of the development agreement and associated Conveyance Instruments.

Development of Other Cells

Currently Developer's plan encompasses only the Cell 2 Site. The Authority is considering soliciting other development proposals on the other cells at the Property, and would undertake this process within 45 days of the date hereof. Developer may compete in this process or choose not to compete, but in either case Developer may participate in the developer selection process, and the City and Authority shall cooperate with Developer, to assure that the development of the other cells harmonize with and contribute to the success of the Project. City and Authority acknowledge that development and operation of the Project may require that the Authority complete the environmental remediation and protection improvements for the other cells simultaneously with construction of the Project.

V. FISCAL IMPACT

Through the Reimbursement Agreement, the Developer shall pay for all out-of-pocket costs for preparing the Conveyance Instrument, including attorneys' fees, economic consultants, and other costs, as well as the City's out-of-pocket costs for processing any Site Plan or development application, including the preparation and/or review of such plans, studies, permits, conditions, site plans, general plan or zoning entitlements, environmental documents, and agreements as may be required for the Project. City or Authority staff costs are not covered by the Reimbursement Agreement.

In addition, Developer shall commence paying for 50% of the Authority's holding costs for Cell 2. This includes a pro rata share of all recurring costs paid to Tetra Tech, the remediation contractor for items such as project management, construction management, storm water management, site security, vector control, weed abatement, perimeter gas

monitoring, the operation of the landfill gas system and other such direct costs. The Developer will also pay all of the direct costs of engaging Tetra Tech in the design of the remedial systems specifically for Cell 2.

Furthermore, if the parties extend the Agreement past the Initial Period, the Developer will pay the City an advance of Sale Tax revenue in the amount of \$1,000,000. That prepayment will be rebated to the Developer over a number of years from sales tax received from the completed project.

VI. EXHIBITS

1. Exclusive Right to Negotiate with CAM-CARSON, LLC, a Delaware limited liability company. (pgs. 7-25)
2. Reimbursement Agreement with CAM-CARSON, LLC, a Delaware limited liability company. (To be provided)

Prepared by: John Raymond, Community Development Director

EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT
Cell 2 Fashion Outlet Retail Project

THIS EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT ("**Agreement**") is made this 7th day of July,¹ 2016, by and between the CITY OF CARSON, a California municipal corporation ("**City**"), CARSON RECLAMATION AUTHORITY ("**Authority**"), a joint powers authority formed under the laws of California, and CAM-CARSON LLC, a Delaware limited liability company ("**Developer**", or collectively with City and Authority, the "**Parties**").

A. The 157-Acre Property. The Authority acquired, and currently owns, approximately 157 gross acres of real property in the City of Carson, as shown on the Site Map attached hereto as **Exhibit "A"** (the "**Property**"). The Property is divided into five (5) Cells as shown on **Exhibit "A"** and is subject to The Boulevards at South Bay Specific Plan, approved on February 8, 2006, and amended on April 5, 2011 (the "**Specific Plan**"). The Property is a former landfill site, and on October 25, 1995, the California Department of Toxic Substances Control ("**DTSC**") approved a Remedial Action Plan ("**RAP**") for portions of the Property, which RAP requires the installation, operation and maintenance of certain remedial systems, including a landfill cap, gas extraction and treatment system, and groundwater collection and treatment system on the Property ("**Remedial Systems**").

B. Consent Decree and Compliance Framework. In a lawsuit initiated by DTSC entitled *California Department of Toxic Substances Control v. Commercial Realty Projects, Inc., et al.* (U.S. District Court, Central District of California, Civil Action No. 95-8773), the court entered a Consent Decree in December 1996; a Consent Decree resolving claims against Atlantic Richfield Company, et al. on March 29, 2001; a Supplemental Consent Decree on March 29, 2001; and Modifications by Consent to Supplemental Consent Decree and Defense Group Decree on March 29, 2001 (collectively, the "**Consent Decree**"). DTSC entered into the Compliance Framework Agreement dated as of September 28, 2006, with the property owner as amended by the First Amendment to Compliance Framework Agreement dated as of December 31, 2007 (collectively, the "**CFA**") for, as stated in the CFA, the purpose of setting forth a plan for implementing the Consent Decree, and the CFA required the property owner to establish financial assurance for implementation of the RAP, including long-term operation and maintenance of the Remedial Systems ("**O&M**").

C. Prior Owners of Property. L.A. MetroMall, LLC, a California limited liability company ("**L.A. MetroMall**"), as seller, and Hopkins Real Estate Group ("**Hopkins**"), as buyer, entered into a Real Estate Purchase Contract, dated March 1, 2004, for the purchase and sale of the Property (the "**2004 Agreement**"). Hopkins sold the Property to Carson Marketplace in 2005, and Carson Marketplace ("**CM**") sold the Property to Authority on May 20, 2015.

D. Environmental Remediation. In connection with the obligation to implement the Remedial Systems, CM and Tetra Tech, Inc. ("**Tetra Tech**") entered into a Fixed Price Design and Construction Environmental Assurance Agreement dated December 31, 2007, as amended, for, among other things, the design and construction of the Remedial Systems and a Fixed Price Operations and Maintenance Environmental Assurance Agreement dated December 31, 2007, as

¹ Assumes Council approves on 7/5/16

amended, for, among other things the operation, maintenance and monitoring of the Remedial Systems. In December 2007 AIG Environmental issued the Carson Marketplace Cleanup Cost Cap Insurance Policy (the “**AIG Policy**”), and in September 2006 CM also obtained a Pollution and Remediation Legal Liability Policy issued by XL Environmental; CM, Tetra Tech and Wells Fargo Bank, National Association, entered into a Carson Marketplace Design and Construction EAA Trust Agreement dated April 13, 2009, as amended by a First Amendment to Carson Marketplace Design and Construction EAA Agreement dated June 12, 2012 (collectively, the “**EAA Trust Agreement**”) to establish a trust account for funds to be paid to Tetra Tech for certain remediation activities, improvements and operations, payable upon completion of certain work (the “**EAA Trust Account**”). Tetra Tech has stated that the EAA Trust Account has a remaining balance of approximately \$30 million as of 2016. The Agency has been assigned all of CM’s rights and assumed all of CM’s obligations pursuant to the EAA Trust Agreement and EAA Trust Account.

E. Remediation Authority Acquisition. City determined that there were a number of former landfill and other sites with the need for remediation in the City, including the Property, and that a substantial need existed to establish an entity to perform such remediation and which could operate ongoing remediation systems, without putting City’s general fund and taxpayer dollars at risk for such cleanup expense. Accordingly City established a joint powers authority under the provisions of the California Joint Powers Act (Govt. Code Sections 6500 et seq.), and on January 20, 2015, the governing boards of the Housing Authority and Community Facilities Districts each approved an agreement for the formation of the Authority for the purpose of overseeing and facilitating the remediation of contaminated properties in the City, and for the maintenance and potential development of same, and said Authority was formed on February 17, 2015, and officers were elected April 20, 2015. Among the powers of Authority are to purchase, hold, sell, and improve real property, to appoint officers and employees, to enter contracts, to purchase insurance, to sue and be sued, and to construct, operate, and maintain remediation systems to alleviate soil contamination.

F. Authority Remediation of Property. CM and Authority, City, and the Successor Agency to the Carson Redevelopment Agency (the “**Successor Agency**”) entered into that certain Settlement, Release and Indemnity Agreement (the “**Settlement Agreement**”) dated [[May 20??]], 2015, pursuant to which Authority agreed to take title to the Property, as provided for in the Settlement Agreement, and pursuant to which Successor Agency committed to provide the remaining \$50.5 million in funding (the “**Funding**”) to Authority through the issuance of taxable bonds (“**Bonds**”); and the California Department of Finance (“**DOF**”) provided a determination that the Successor Agency’s obligation to provide the Funding is an enforceable obligation of the Successor Agency and that DOF has no objections to the transfer of the Property from CM to Authority, the issuance of bonds by Successor Agency to provide funding for completion of the remediation work and other infrastructure improvements. The Remedial Systems work is being undertaken with financial assistance being provided by the City, the Authority, the Carson Public Financing Authority, and the Carson Successor Agency, successor to the dissolved Carson Redevelopment Agency, through the issuance of multiple series of bonds.

G. Area Underutilized. The Property is the largest tract of undeveloped property in the City as of the Effective Date, and represents significant potential for public benefit through appropriate development. The development of the Project (hereinafter defined) will provide the economic opportunity to finally remediate the Property some 60 years after closure of the landfill, and finally carry out the purposes of the Consent Decree and RAP. Moreover, the Property is

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currently underutilized, falling substantially short of its commercial, industrial, revenue-generating and job-generating potential. The City therefore seeks to enable the Property to be used for commercial uses, providing further economic and employment opportunities on and around the Property while maintaining high standards of development and environmental protection. The City seeks to utilize the Property in a manner that will maximize public benefits and welfare.

H. *The Project Site.* The Property has been vertically subdivided into a surface lot (the “**Surface Lot**”) and a subsurface lot (the “**Subsurface Lot**”), which lots are referenced on the “Designation of Parcels” (**Exhibit “B”**) as Parcels 1 (Subsurface Lot) and 2 (Surface Lot) of Parcel Map No. 70372. The Authority intends to negotiate with Developer for the conveyance to Developer of the Surface Lot only of Cell 2, which is approximately 46.33 gross acres (the “**Cell 2 Site**”) and the development thereon of a first-class regional fashion outlet shopping center. The Cell 2 Site is located directly southwest of the 405 freeway, and is uniquely positioned to attract retail and commercial business from Orange County, Long Beach, and Los Angeles. This creates a prime location for development of large-scale retail uses.

I. *The Proposed Project.* Prior development projects have been proposed on the Property as described above, including the Boulevards mixed use regional retail and entertainment project and a 75,000-seat NFL Stadium. While these projects have not proceeded, Developer is currently considering development of the Cell 2 Site, which development includes a state-of-the-art approximately 500,000 square foot regional fashion outlet mall (the “**Project**”). The Project is proposed to provide substantial economic and employment opportunities for the community, with a goal of generating at least 1,600 new direct construction jobs, with another 1,000 indirect and induced, as well as 1,500 new permanent jobs. The Project shall maintain high standards of urban design, architecture, and development, including “Cal-Green” and LEED building standards, adherence to building codes (subject to such variances as the city may approve), best practices for environmental protection, energy efficiency, water conservation, and reduced greenhouse gas emissions. The Project will also include necessary street and utility infrastructure to the extent located on the Cell 2 Site, but the Developer expects the City to provide all necessary street and utility infrastructure outside of the Cell 2 Site. Developer has submitted a conceptual proposal showing the proposed Project and attached as the “Preliminary Site Plan” as shown in Exhibit “C”. The Developer's proposal at this point is a very general outline of Project potential. Developer will be required to submit more detailed concept plans, site plans and Project descriptions prior to receiving any further Project entitlements from the City, if any are required. This Agreement is only an agreement to negotiate and does not guaranty that the City will issue any further Project entitlements and does not in any way limit the City's discretion in approving or disapproving the Project or any portion thereof.

J. *Developer’s Qualifications.* Developer was previously investigating the development of a portion of the Property when owned by CM, and consequently has a working understanding of the development constraints and environmental conditions, and continues to conduct its due diligence investigations thereof. Developer and its affiliates currently own and manage 55 million square feet of regional shopping centers across the United States. Developer and its affiliates have demonstrated skill and expertise in retail and mixed use real estate development, the ability to attract reputable commercial tenants. Developer, headquartered in Santa Monica, has substantial local experience in development.

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K. *Negotiations With Goal of Reaching a Conveyance Instrument.* The City and Developer desire, for the period set forth herein, to negotiate in good faith to enter into one or more of purchase agreement and a long-term development agreement, or equivalent such agreement(s) effecting the conveyance of ownership of the Cell 2 Site to Developer, and setting forth the terms of Project development and operation (each and collectively, a “**Conveyance Instrument**”). It is also anticipated that, concurrent with negotiating a Conveyance Instrument, the parties will negotiate an arrangement by which Developer will be refunded a share of the annual sales tax revenues generated by the Project (“**Tax Sharing**”) to the extent necessary to produce an economic return for the Project.

NOW, THEREFORE, and in consideration of the mutual covenants contained herein and incorporating the Recitals above which are deemed to be true and correct, and with the Exhibits are incorporated herein by reference, the parties mutually agree to the following:

SECTION 1. TERM; DEPOSITS AND PAYMENTS.

A. *Initial Term.* The initial term of this Agreement shall commence on the date when both this Agreement and the Reimbursement Agreement have been executed and delivered by the last Party who must execute then to make them effective (the “**Effective Date**”), and terminate one hundred twenty days thereafter (“**Initial Term**”). During the Initial Term, Developer shall (i) conduct its due diligence with respect to the Property and the Project as described herein, (ii) develop the basic business terms of the transaction, (iii) develop an initial project schedule in cooperation with the City, and (iv) work diligently to produce a Project site plan and sample elevations in such detail as can be produced during such period.

B. *Extended Term.* If prior to expiration of the Initial Term the Parties execute a memorandum of understanding encompassing the points in Section A above (the “**MOU**”), then the term of this Agreement shall be automatically extended for an additional two hundred forty-five days from the date of execution to obtain any required additional entitlements and any required additional CEQA processing and negotiate a development agreement, Conveyance Instrument, Tax Sharing terms and other necessary agreements for the Cell 2 Site (the “**Extended Term**”, or, together with the Initial Term, the “**Term**”).

C. *Extensions.* The Parties acknowledge that the number of days in the Initial Term and Extended Term represent their current estimate of the time required for the activities set forth above, but if notwithstanding their diligent efforts such periods prove inadequate for such activities, the City Manager may extend such Terms for a cumulative period of up to 180 days in his reasonable discretion.

D. *Developer Deposits, Payments, Reimbursements, and Contributions.* Concurrently with the execution of this Agreement, Developer and City are also executing a Reimbursement Agreement, pursuant to the terms of which Developer shall (i) pay \$1,000,000 to City, and (ii) commence paying or reimbursing City for fifty percent of the carrying costs for the Cell 2 Site. In addition, when and if the MOU is executed, Developer shall advance an additional \$1,000,000 to the City (the “**Sales Tax Advance Payment**”). The deposits, payments, reimbursements of City and Authority costs, and contributions and advances to be made by Developer are all set forth in detail in the Reimbursement Agreement. When and if the Term is extended past the Initial Term, such extension shall be contingent on Developer paying an additional \$1,000,000 to the City (the

“Sales Tax Advance Payment”). The Sales Tax Advance Payment is a prepayment of the City’s portion of sales taxes resulting from the Project, and is to be repaid to Developer from those sales taxes as received by the City. If Developer abandons the Project after making the Sales Tax Advance Payment, the City shall retain the Sales Tax Advance Payment.

E. *Developer Agreement Performance Guarantee.* The Parties acknowledge that the Developer has agreed that when the Parties execute and deliver a development agreement and Developer acquires the Cell 2 Site, an appropriately creditworthy affiliate of Developer will indemnify the City against any loss of the City’s \$5,600,000 CALReUSE grant resulting from Developer’s failure to thereafter diligently pursue the Project, all as more specifically to be set forth in the development agreement.

SECTION 2. NATURE OF NEGOTIATIONS.

A. *Good Faith.* For the Term, the parties agree to negotiate diligently and in good faith for any required additional entitlements and any required additional CEQA processing, a development agreement, Conveyance Instrument, Tax Sharing terms and other necessary agreements for the Cell 2 Site, all of which are to be subject to all rules, regulations, standards, and criteria set forth in the City’s General Plan and applicable specific plans and zoning regulations (which may require amendment or other modification to accommodate Developer’s proposed use). Neither party is obligated in any way to enter a Conveyance Instrument nor is City obligated to approve the Project or any Tax Sharing arrangement. This Agreement is a limited commitment to negotiate in accordance with the terms set forth herein. During the Term, City and Authority will not negotiate any sort of similar agreements with any other third party regarding the development of the Cell 2 Site except as Developer may otherwise approve in writing, but City and Authority may negotiate development agreements for the remainder of the Property with other developers. Such agreements shall not include an outlet mall concept and shall not otherwise unreasonably interfere with the development or operation of the Project. Nor during the Term shall Developer negotiate to establish another outlet mall at any other location within 10 miles of the Property.

B. *Developer Due Diligence.* Authority represents that it owns the entire Property, but makes no representation concerning Developer’s ability to perform the Project or the viability of the Cell 2 Site for the Project. In fact, Developer is aware that (i) the entire Property is subject to a remedial action plan and oversight by DTSC, (ii) Tetra Tech has committed to a Remediation Plan costing over \$100,000,000 and is in middle of carrying out such Plan, (iii) Developer has been investigating the development of the Cell 2 Site with both the Authority and the Authority’s predecessor for over three years, and has spent some \$2,700,000 and over 2,000 person-hours in this effort to date, and (iv) Authority has agreed to provide Developer with open access to the entire Property and its records pertaining to the Property in order to facilitate Developer’s ongoing due diligence investigations. Developer has requested certain additional detailed information, which the City and Authority intend to provide shortly. Accordingly, at its sole cost and expense, Developer shall conduct its own due diligence, including all investigations of the Property to assure itself of the suitability of the Cell 2 Site for development and viability of the Project. During the Term, Authority shall permit Developer and its employees, agents, representatives and contractors reasonable access to the Property pursuant to a separate agreement to conduct due diligence including environmental evaluations, engineering studies, surveys, geological work and other studies as reasonably desired by Developer (the “**Access Agreement**”). Under the Access Agreement Developer will indemnify, defend and hold the City and Authority harmless from any

claims, injuries, damages, penalties or fees that may be caused by Developer's access to, and investigation of, the Property pursuant to the terms of the Access Agreement.

C. Nature of the Project; Required Approvals. Any Conveyance Instrument shall provide that Developer must (i) develop the Project consistent with all applicable laws, ordinances, regulations, zoning, the General Plan and the applicable specific plan, as the same may be varied or amended by the City to accommodate Developer's project, and (ii) obtain design development review and approval from the City's Planning Commission and City Council. During the Initial Term, the parties shall use their good faith efforts to reach conceptual agreement on the business terms of the transaction embodied in a memorandum of understanding. These Phases of Negotiation are described as follows:

1. **Initial Term.** Agreement upon the following shall be deemed the goals of the Parties for the Initial Term:

(a) **Conveyance Instrument Terms.** The Conveyance Instrument terms, including a mutually satisfactory designation of (i) a specific schedule for development of the Project, which may be in phases; (ii) standard use restrictions consistent with the operation of a regional retail center; (iii) rights and limitations of Developer to assign or transfer its obligations prior to completion of the Project; (iv) provision ensuring that the Agency retains responsibility for the existing environmental issues at the Property; and (v) agreement by Developer to proceed diligently in good faith to perform its obligations and to reimburse Authority for certain of its out of pocket third-party costs of negotiating the transaction.

(b) **Financial Provisions.** Terms relating to: (i) the purchase price payable by Developer to Authority for the conveyance or occupation of the Cell 2 Site by Developer; (ii) Developer's sole responsibility for financing and constructing the Project; (iii) apportionment of costs, and responsibility for construction of, necessary public improvements, including City fees for processing any necessary additional entitlements for the Project; (iv) apportionment of environmental costs for soils remediation, landfill liner and pile cap, landfill cap, landfill gas systems, groundwater treatment, building protection system and other Remedial Systems needed for Project implementation; and (v) apportionment of costs of, and responsibility for constructing, onsite (*i.e.*, on the Cell 2 Site) utilities, structural piles and foundation slabs. Generally the Authority is to be responsible for the remediation program, but the Parties may agree to the use of certain financing mechanism such as the CFD (hereinafter defined), and the Developer is responsible for the cost of onsite structural piles, the foundation slabs and vertical development.

(c) **Tax Sharing.** Terms of a Tax Sharing arrangement whereby Developer would receive rebates/refunds of local sales tax payable by Developer and its tenants to the City. Such Tax Sharing will be negotiated for the purpose of facilitating Developer's development and operation of the Project on the Cell 2 Site. For purposes of Tax Sharing, the rebate of local sales tax payable to Developer shall be a negotiated percentage of each dollar paid by Developer and its tenants upon taxable sales and uses attributable to the construction and operation of the Project and allocated and actually paid to, and received by, the City under the Uniform Local Sales and Use Tax Law (Part 1.5,

Division 2 of the California Revenue and Taxation Code). Negotiated terms of Tax Sharing shall include, for a term, without limitation, (i) a requirement setting the City as the situs for all Project retail sales, (ii) mechanisms for maximizing the taxable retail sales attributable to the Project, such as a minimum scope of operations and/or progress schedule of shared tax percentages to reflect actual Project performance, (iii) means for the City/Authority to review and audit records pertaining to Project retail performance and tax calculations, and (iv) provisions of indemnity and/or defense with respect to any third-party challenge to the Tax Sharing arrangement. The available Tax Sharing Revenue may be as much as 50%, if justified by the proforma analysis. The Tax Sharing arrangement may be encompassed within the terms of the Conveyance Instrument, or may be memorialized as a standalone agreement.

(d) **CFD.** Two community facility districts (collectively, the “CFD”) have been established under statutory authority to pay for (i) operation and maintenance of the Remediation Systems, and (ii) the installation of onsite public infrastructure. Terms of the CFD may need to be restructured if the Project requires modifications to the original project for which the CFD was adopted.

(e) **Infrastructure District.** The parties will explore the possibility of setting up an EIFD to pay for a fire station or other public infrastructure under the enabling authority.

2. **Extended Term.** During the Extended Term, the parties will complete a Development Agreement pursuant to Government Code Section 65864 *et seq.*, as well as a Conveyance Instrument, so that Developer obtains title to the Cell 2 Site and sufficient additional and modified land use entitlements to be able to proceed with development of the Project. Among other things, the following shall be completed during this phase:

(a) **Applications for City Approvals.** During the Extended Term, Developer shall use reasonable good faith efforts to submit applications for the requisite additional and modified land use entitlements for the Project from all governmental and/or quasi-governmental entities, including the City and Los Angeles County Fire Department (collectively, “Permits”), except for actual building permits, which will be obtained after Developer has acquired the Cell 2 Site. Approval of all of the Permits (subject to only those conditions which have been approved by Developer) and the expiration of all applicable appeals periods to such approvals without the filing of any such appeal by a third party shall be a condition precedent to the consummation of the transaction under the Conveyance Instrument, which condition precedent is for the benefit of each of Developer, City and Authority.

(b) **Design Theme.** The design will be suitable for a high fashion outlet center, but the design theme of the center has yet to be established. There will be a strong entry element and while stores will have varying architectural frontages facing inward, the exterior, particularly facing the freeway will have a superior architectural frontage which will make the Project noteworthy compared to other I-405 Freeway projects. Once the design is established, there will be design charrette workshops with the City’s Planning Commission and/or City Council or committees thereof, which shall be open to the community and such other community meetings as the City shall direct.

(c) **CEQA/Environmental Review.** An environmental review process was previously undertaken pursuant to the California Environmental Quality Act (Public Resources Code §§ 21000 et seq., “CEQA”) for the Property in connection with the approval of the Specific Plan (the “**Prior CEQA Review**”). Developer acknowledges and agrees that the City has not yet determined whether or to what extent the Prior CEQA Review satisfies the need for environmental review as to this Project. To the extent new or supplemental environmental review is legally required for the Project under CEQA, Developer will undertake the studies, reports and analyses required, including traffic analysis, environmental impact analysis and financing plans if and to the extent required. Developer has sole responsibility at its sole cost and expense to pursue and obtain any necessary environmental approvals for the Project pursuant to CEQA. City and Authority will assist Developer in preparing any environmental documentation and processing any environmental review necessary. The Authority shall serve as lead agency for purposes of environmental review, and Developer shall provide to Authority all funds necessary to cover the out of pocket costs of such environmental review.

D. Development of Other Cells. Currently Developer’s plan encompasses only the Cell 2 Site. Authority is considering soliciting other development proposals on the other cells at the Property, and intends to undertake this process within 45 days of the date hereof. Developer may compete in this process or choose not to compete. The City and Authority shall cooperate with Developer to assure that the development of the other cells harmonizes with and contributes to the success of the Project. City and Authority acknowledge that development and operation of the Project may require that the Authority complete the environmental remediation and protection improvements for the other cells simultaneously with construction of the Project.

E. Signage. Current zoning permits significant freeway oriented signage. City will assist in promoting Project signage, but a portion of the signage must provide community benefit, and such provisions shall be in the Conveyance Instrument.

SECTION 3. DEVELOPER’S NEGOTIATION RESPONSIBILITIES. During the Initial Term, Developer will prepare such studies, reports and analysis as shall be necessary for Developer to determine the feasibility of the Project and, as requested by City/Authority, Developer shall submit the following:

A. Project Plan and Development. A “Site Plan” specifying the conceptual framework to guide the overall development of the Project. In addition, Developer shall prepare the preliminary design plan for the Project, including design themes, as reasonably required by Authority and City, sufficient, to the extent feasible and practicable, to allow evaluation of the architectural design and site layout. In addition, Developer shall prepare the preliminary design plan of the Project including building elevations and design themes, as reasonably required by Authority and City, sufficient to the extent feasible and practicable to all evaluation of sign configuration, architectural design and similar issues. Developer shall also order and review a preliminary title report.

B. Proforma. Within ten days after the Effective Date Developer shall provide a detailed *pro forma* showing the estimated budget for the development and construction of the Project. Developer intends to seek substantial financial assistance from City, without which the Project would not be economically feasible, including direct financial assistance, sales tax rebates, and installation of offsite public improvements by City, and Developer acknowledges that the *pro forma* must justify the

requested assistance as required for the Developer's return on investment. The *pro forma* shall also show an estimate of the economic return to the City for at least a ten year period after completion of the Project, including all taxes and fees (including proposed Tax Sharing scenarios), and other economic returns to the City as well as jobs and general community benefits.

C. Confidentiality. Subject to the duty of the public entities to produce documents and analysis publicly to explain the transaction, and until the Conveyance Instruments are publicly presented for approval, Authority and City agree, to the maximum extent permitted by law including the California Public Records Act, to keep confidential the substance of the ongoing negotiations, the parties' positions, and all proprietary financial and other information submitted by Developer to Authority and City in connection with Developer's satisfaction of its obligations under this Agreement, at all times during the Term of this Agreement.

D. Partners. In addition to the information publicly available regarding Developer and its personnel, Developer shall provide adequate disclosure of Developer's joint venturers, if any, who are participants or principals of the Project, and other reasonable and relevant information requested by Authority or City, concerning the above. To the extent Developer is an entity established solely to undertake the Carson transaction, its financial obligations hereunder that are not otherwise supported by deposits or other security shall be guaranteed by an appropriately creditworthy affiliate of Developer.

E. Financial Capability. Developer shall prepare and deliver to Authority and City a statement of Developer's financial capabilities, including contemplated or potential sources of equity and construction and permanent loan financing.

F. Prospective Tenants. Developer shall diligently contact potential tenants for the Project. During the Term, Developer shall, at its sole cost and expense, place signage on the Cell 2 Site for purposes of identifying the Project ("**Signage**"), and Authority shall grant the necessary easements or similar agreements to do so. All Signage shall be subject to reasonable approval of the Executive Director or his designee, and shall comply with the City's Municipal Code and standard sign requirements. Upon termination of this Agreement, Developer shall (i) promptly remove the Signage at its sole cost and expense, (ii) Developer shall indemnify City and Authority against any mechanic liens or other claims related to the Signage, and (iii) have no claim or other right against City or Agency for any contact by third parties as a result of the Signage.

G. Permits. After the Initial Term, Developer will be solely responsible for obtaining all permit approvals and entitlements for the Project and developing the Project, subject to the terms and conditions of the Conveyance Instrument.

SECTION 4. CITY/AUTHORITY'S RESPONSIBILITIES.

A. Reasonable Assistance. Authority and City shall provide Developer with appropriate and reasonable information and assistance.

B. Preparation of Instruments. After initial discussions, Authority and City shall prepare an initial draft of a Conveyance Instrument and Tax Sharing agreement.

C. **Processing Permits.** Authority and City shall use reasonable good faith efforts to expeditiously process, and lend reasonable cooperation to other agencies in processing, Developer's Permits.

SECTION 5. CITY'S DISCRETION; NON-WAIVER OF POLICE POWERS.

Although Authority and City are obligated to negotiate diligently and in good faith, they under no obligation to enter into a Conveyance instrument or Tax Sharing arrangement and all expenses incurred by Developer during the Term are incurred at Developer's sole risk and expense. Prior to Formal Approvals, Developer's reliance on any representations or promises by City, Authority or their staff or consultants, or individual Council members, is undertaken at Developer's sole risk and expense. Although obligated to negotiate in good faith, Developer is under no obligation to enter into a Conveyance Instrument or Tax Sharing arrangement.

The Authority Board, City Council and the City's Planning Commission will be required to review and hold hearing(s) on the Project's entitlements and environmental documentation. Authority and City reserve the right to exercise their discretion as to all matters which they are, by law, entitled or required to exercise, at their discretion and nothing in this Agreement shall be construed as having the effect of waiving or limiting police powers and exercise of discretion by Authority and/or the City. To this end:

(1) **Discretion.** City Council and Authority Board have complete and unfettered discretion to enter into any Development Agreement or Conveyance Instrument or Tax Sharing Agreement without explanation or cause, and this Agreement is not committing Authority/City to undertake any activity requiring the exercise of discretion, including the approval and execution of a Development Agreement or Conveyance Instrument, Tax Sharing Agreement, or any other act or approval.

(2) **Instruments.** The duty of Authority and City to approve any project or execute a Development Agreement or Conveyance Instrument or approve Tax Sharing Agreement shall be conditioned upon the successful review and approval of all necessary findings and conclusions which the City Council and Authority Board are required to make, including all necessary findings and determinations required under CEQA as well as state and local land use provisions. As to any matter which Authority and City may be required to exercise its unfettered discretion with respect to the Project, nothing herein nor in a Conveyance Instrument or Tax Sharing Agreement shall obligate Authority and City to exercise discretion in any particular manner, and any exercise of discretion reserved hereunder or required by law, shall not be deemed to constitute a breach of Authority or City's duties under this Agreement.

(3) **Agreement to Negotiate.** This Agreement does not constitute a disposition of property and, therefore, does not require a public hearing. Authority and City's execution of this Agreement is merely an agreement to enter into exclusive negotiations for a specified time period.

SECTION 6. MISCELLANEOUS.

A. **Brokerage Commissions.** Developer agrees to pay and to hold Authority and City harmless from any claim by any broker, agent, or finder retained by Developer with respect to the

Cell 2 Site. Neither Authority nor the City shall be liable to pay any real estate commission or any broker's fees which may arise in relation to the Project.

B. Copies of Documents. During the Term, Developer shall provide Authority/City for its information, and for public reports to be prepared in connection with the Project, at no cost or expense to Authority/City, with copies of certain third party consultant, contractor, or subcontractor reports, studies, analysis, site plan layouts, engineering studies, memorandums, or similar documents, excluding legally privileged or confidential items or proprietary financial information, regarding the Cell 2 Site. Authority and City may not sell such plans or drawings and may use them solely for planning purposes relating to the Project on the Cell 2 Site and coordinating the Project with other projects on other cells at the Property. Delivery of such documents to Authority and City shall be made without any representation, warranty, or liability whatsoever by Developer as to the accuracy or sufficiency of the contents of such documents and shall be subject to the rights of the preparers of such documents including, without limitation, any applicable copyrights.

C. No Personal Liability. No employee, agent, board member, partner, principal or shareholder of a Party shall have any personal liability or obligation under this Agreement except as specifically set forth herein.

D. No Conflicts. Each party ("**Representing Party**") represents to the other party that the execution and delivery by the Representing Party of this Agreement, the performance of its obligations hereunder, and its fulfillment of the terms and conditions hereof do not conflict with, violate or result in a breach of any applicable law or any term or condition of any document to which Representing Party is subject.

E. Amendment. This Agreement may only be amended in writing executed by both parties.

F. Notices. All notices, including without limitation all approvals and consents, required or permitted under this Agreement shall be delivered in person, by messenger, by overnight mail courier, or by registered or certified mail, postage prepaid, return receipt requested, to each party at its address shown below, or to any other notice address designated in writing by such party. Any notice so delivered by messenger shall be deemed delivered upon actual delivery. Any notice so delivered by US mail shall be deemed delivered three (3) days after deposit in the US Mail.

Authority and City: Carson Reclamation Authority / City of Carson
701 East Carson Street
Carson, CA 90745
Attention: City Manager

With copy to: Aleshire & Wynder, LLP.
18881 Von Karman Avenue, Suite 1700
Irvine, CA 92612
Attention: Sunny Soltani, Esq.

Developer: CAM-Carson LLC
c/o The Macerich Company

401 Wilshire Boulevard, Suite 700
Santa Monica, California 90401
Attention: Thomas J. Leanse, Esq.

With a copy to: Manatt, Phelps & Phillips, LLP
11355 West Olympic Boulevard
Los Angeles, California 90064
Attention: Tom Muller, Esq.

G. Default & Remedies. If a party fails to comply with its obligations (“**Defaulting Party**”), the other party (“**Non-Defaulting Party**”) may terminate this Agreement if the Defaulting party fails to cure such default within thirty days after receipt of notice of default from the Non-Defaulting Party, or if such default is not susceptible of cure within such thirty day period, then if the defaulting party fails to commence such cure within such thirty day period and thereafter diligently pursue such cure to completion, not to exceed ninety days in the aggregate (“**Cure Period**”). If the Defaulting Party fails to cure during the Cure Period, the Non-Defaulting Party may terminate this Agreement by providing written notice to the Defaulting Party prior to cure of such default (“**Termination Notice**”). Notwithstanding the foregoing, in no event shall any Cure Period hereunder extend the Term. Developer’s sole remedy for an Authority/City default shall be to terminate this Agreement by written notice. Authority/City’s sole remedy for a Developer default shall be to terminate this Agreement by written notice. Upon termination of this Agreement, (i) neither party shall have any right, remedy or obligation under this Agreement, except that any indemnifications provisions shall survive such termination; and (ii) each party specifically waives and releases any such rights or claims it may otherwise have at law or in equity and expressly waives any rights to consequential damages or specific performance from the other party.

H. Indemnification. Developer agrees to indemnify, defend, and hold Authority, City and their respective members, officers, staff and agents (collectively, “**City Indemnitees**”) harmless from any and all third party claims, actions, suits and other liability asserted against Authority or City resulting from Developer’s breach of this Agreement including Signage or under the Access Agreement. This indemnity shall survive the expiration or termination of this Agreement. In the event that any claim is filed against any City Indemnitees, Authority and City shall notify Developer of such claim in a timely manner to permit Developer, the opportunity to provide adequate representation to City Indemnitees with respect to any such claim. Nothing in this Section shall be construed to mean that Developer shall hold City Indemnitees harmless and/or defend them to the extent of any claims arising from the gross negligence, willful misconduct or illegal acts of any of the City Indemnitees.

I. General Provisions. This Agreement and all terms and conditions hereof shall be governed by and construed and enforced in accordance with the laws of the State of California. If any legal action is necessary to enforce this Agreement, a court of competent jurisdiction in Los Angeles County shall be the sole venue and jurisdiction for the bringing of such action. Any term may be waived only by a written waiver signed by the party against whom such waiver is to be asserted. All provisions shall not be construed in favor of or against either party, but rather as if both parties prepared this Agreement. This Agreement may be executed in counterparts, each of which when so executed shall be deemed an original, and all of which, together, shall constitute one and the same instrument. This Agreement terminates and supersedes all prior understandings or agreements on the subject matter hereof.

J. Assignment. Developer may not assign this Agreement or any of its rights or obligations hereunder to any third party or entity without the prior written consent of Authority and City, except to an entity at least fifty percent owned and effectively controlled by The Macerich Partnership, L.P. Transfer of any ownership interest in Developer inconsistent with the foregoing shall be deemed a transfer under this provision.

K. Attorney's Fees. In any action between the parties to interpret, enforce, reform, modify, rescind or otherwise in connection with any of the terms or provisions of this Agreement, the prevailing party in the action or other proceeding shall be entitled to recover its reasonable costs and expenses.

L. Authority. The persons executing this Agreement on behalf of Developer warrant that (i) Developer is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of Developer, (iii) by so executing this Agreement, Developer is formally bound to the provisions of this Agreement, and (iv) entering into this Agreement does not violate any provision of any other agreement to which Developer is bound.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day first above written.

DEVELOPER

CAM-CARSON LLC,
a Delaware limited liability company

By: _____
Thomas J. Leanse, Senior Executive
Vice President, Chief Legal Officer
and Secretary

AUTHORITY & CITY

CITY OF CARSON, a California municipality

By: _____
Albert Robles, Mayor

CARSON RECLAMATION AUTHORITY, a
California joint powers authority

By: _____
Albert Robles, Chair

ATTEST:

City Clerk / Secretary

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

Sunny Soltani
City Attorney / Authority Counsel

- Exhibits: A: The Site Map (showing cells)
 B. Designation of Parcels
 C. The Preliminary Site Plan with Elevations

317035919.6

317035919.10

Exhibit A.
Site Map (Page 1 of 2)

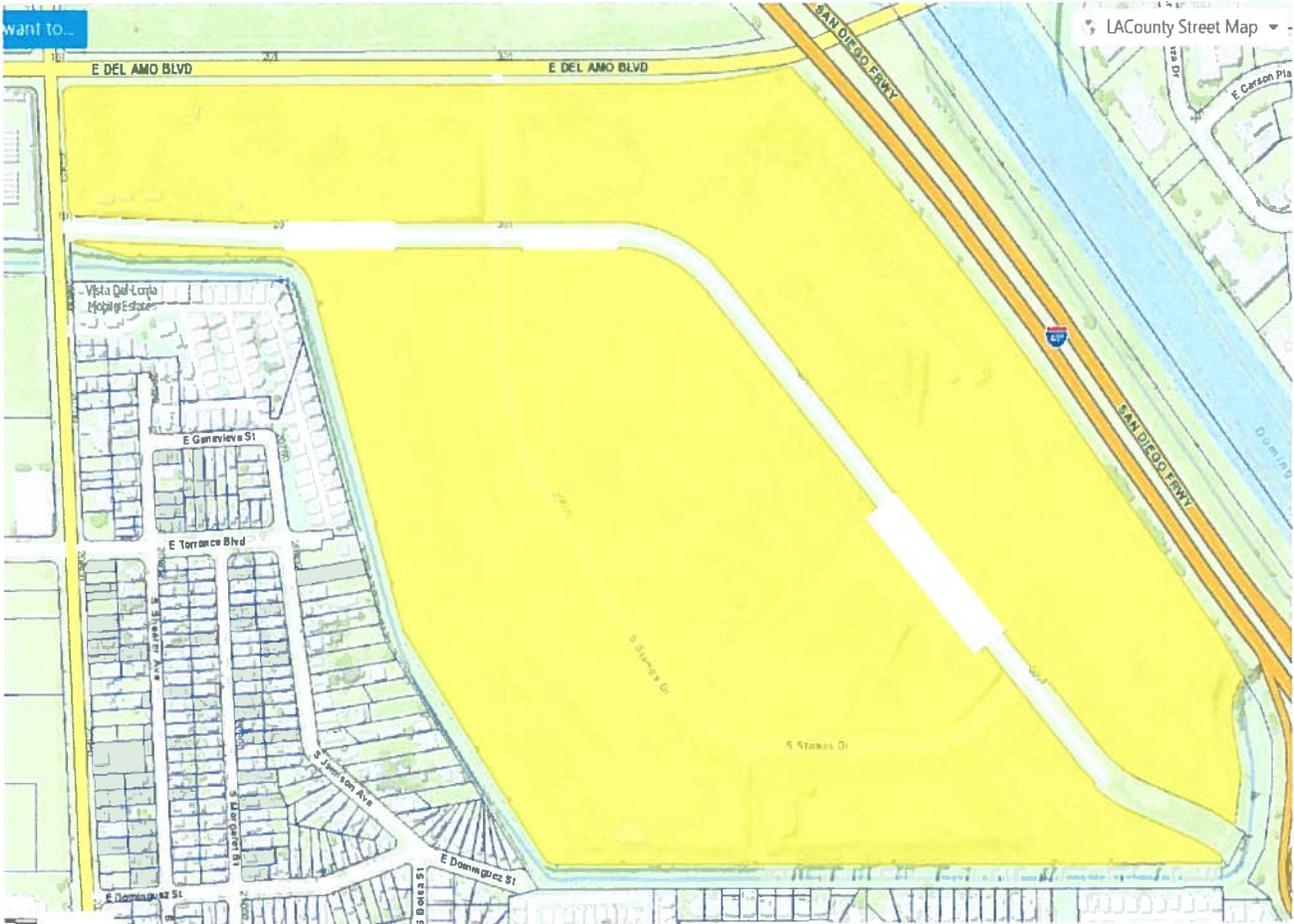


Exhibit B. Vertical Lot Subdivision (Page 1 of 2)

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SCALE: 1" = 100'

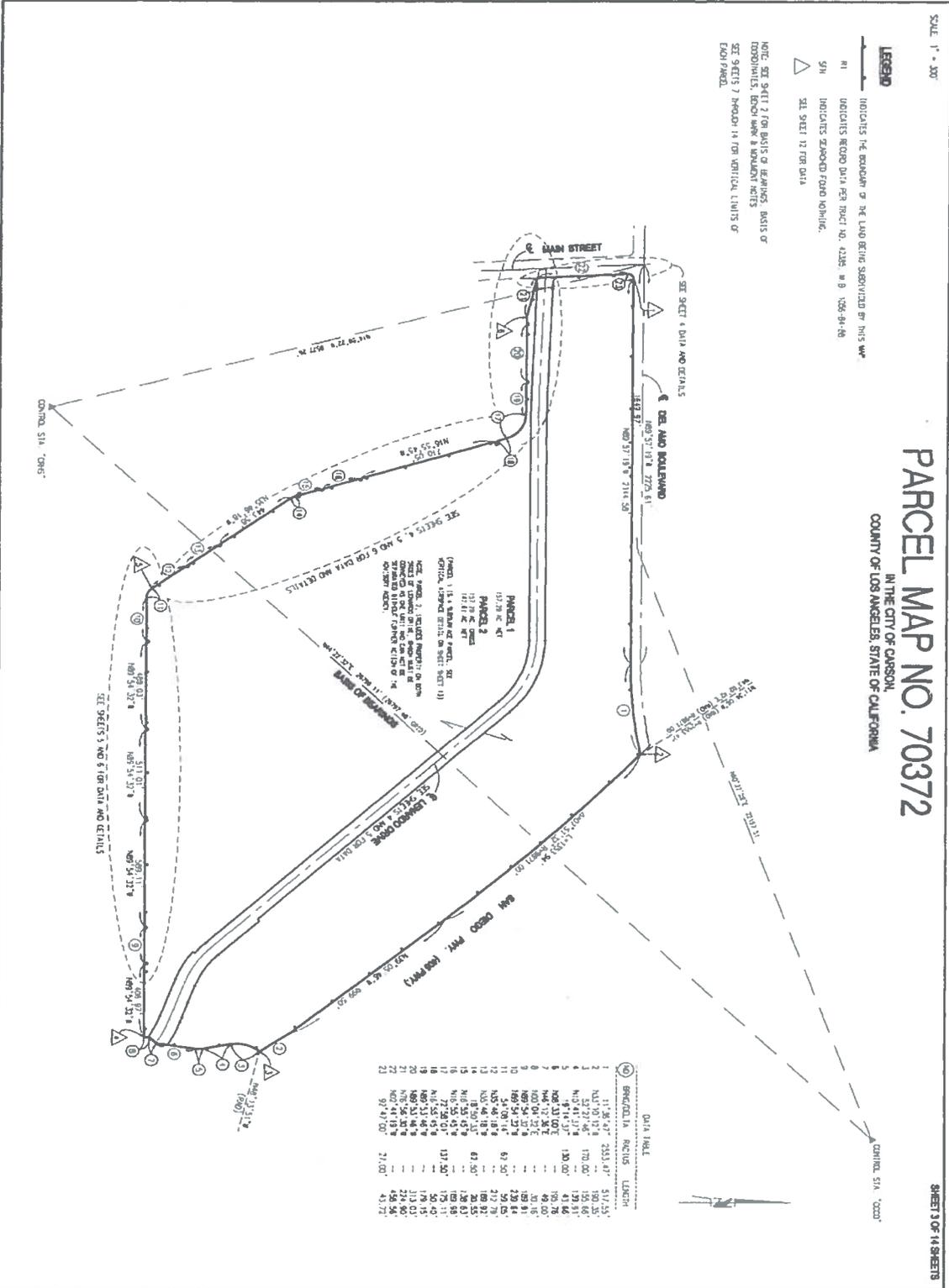
PARCEL MAP NO. 70372 IN THE CITY OF CARSON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

BOOK 317 PAGE 18
SHEET 3 OF 14 SHEETS

LEGEND

- INDICATES THE LOCATION OF THE LAND BEING SUBDIVIDED BY THIS MAP
- RI INDICATES RECORD DATA PER TRACT NO. 4228, W.B. 1026-84-46
- SH INDICATES ZONING FORM NUMBER
- △ SEE SHEET 12 FOR DATA

NOTE: SEE SHEET 2 FOR BASIS OF BEARINGS, BASIS OF POSITIONS, BEARING AND DISTANCE NOTES
SEE SHEETS 7 THROUGH 14 FOR VERTICAL LINES OF EACH PARCEL.



LOT	BEARING	DIST.	BEARING	DIST.	BEARING	DIST.
1	N 11° 48' 32" E	233.37	S 89° 51' 28" W	101.35	S 89° 51' 28" W	101.35
2	N 11° 48' 32" E	170.00	S 89° 51' 28" W	152.66	S 89° 51' 28" W	152.66
3	N 11° 48' 32" E	130.00	S 89° 51' 28" W	118.76	S 89° 51' 28" W	118.76
4	N 11° 48' 32" E	100.00	S 89° 51' 28" W	90.00	S 89° 51' 28" W	90.00
5	N 11° 48' 32" E	70.00	S 89° 51' 28" W	63.00	S 89° 51' 28" W	63.00
6	N 11° 48' 32" E	40.00	S 89° 51' 28" W	35.00	S 89° 51' 28" W	35.00
7	N 11° 48' 32" E	20.00	S 89° 51' 28" W	17.50	S 89° 51' 28" W	17.50
8	N 11° 48' 32" E	10.00	S 89° 51' 28" W	8.75	S 89° 51' 28" W	8.75
9	N 11° 48' 32" E	5.00	S 89° 51' 28" W	4.37	S 89° 51' 28" W	4.37
10	N 11° 48' 32" E	2.50	S 89° 51' 28" W	2.19	S 89° 51' 28" W	2.19
11	N 11° 48' 32" E	1.25	S 89° 51' 28" W	1.09	S 89° 51' 28" W	1.09
12	N 11° 48' 32" E	0.62	S 89° 51' 28" W	0.55	S 89° 51' 28" W	0.55
13	N 11° 48' 32" E	0.31	S 89° 51' 28" W	0.27	S 89° 51' 28" W	0.27
14	N 11° 48' 32" E	0.16	S 89° 51' 28" W	0.14	S 89° 51' 28" W	0.14
15	N 11° 48' 32" E	0.08	S 89° 51' 28" W	0.07	S 89° 51' 28" W	0.07
16	N 11° 48' 32" E	0.04	S 89° 51' 28" W	0.03	S 89° 51' 28" W	0.03
17	N 11° 48' 32" E	0.02	S 89° 51' 28" W	0.01	S 89° 51' 28" W	0.01
18	N 11° 48' 32" E	0.01	S 89° 51' 28" W	0.00	S 89° 51' 28" W	0.00
19	N 11° 48' 32" E	0.00	S 89° 51' 28" W	0.00	S 89° 51' 28" W	0.00
20	N 11° 48' 32" E	0.00	S 89° 51' 28" W	0.00	S 89° 51' 28" W	0.00
21	N 11° 48' 32" E	0.00	S 89° 51' 28" W	0.00	S 89° 51' 28" W	0.00
22	N 11° 48' 32" E	0.00	S 89° 51' 28" W	0.00	S 89° 51' 28" W	0.00

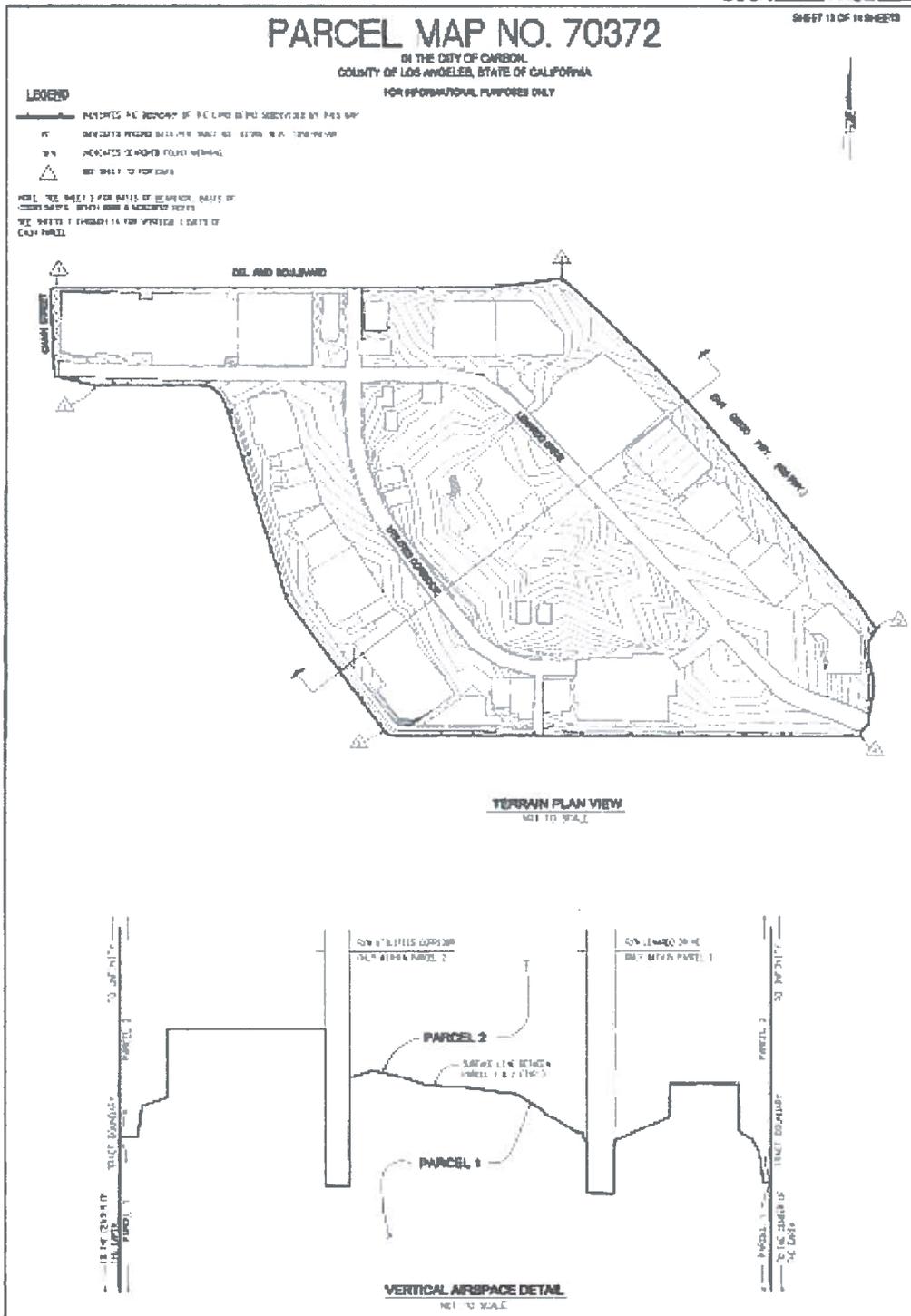
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Exhibit B.

Vertical Lot Subdivision (Page 2 of 2)

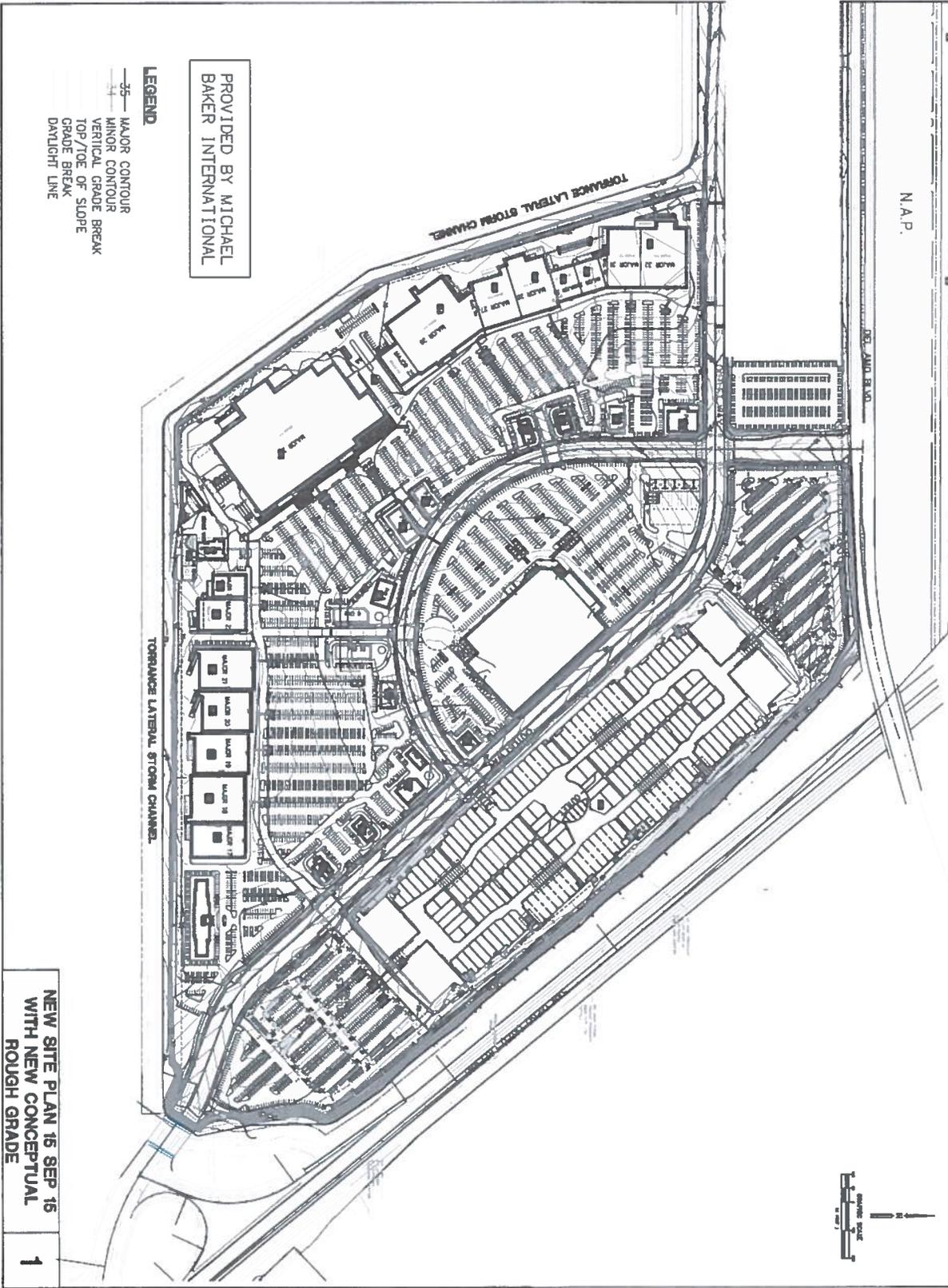
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BOOK 317 PAGE 68



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Exhibit C. Macerich Preliminary Site Plan



REIMBURSEMENT AGREEMENT
BETWEEN
CITY OF CARSON AND THE CARSON RECLAMATION AUTHORITY
AND
CAM-CARSON LLC

THIS REIMBURSEMENT AGREEMENT ("Agreement") shall be effective July 7,¹ 2016 ("**Effective Date**"), by and between the CITY OF CARSON, a California municipal corporation ("**City**"), CARSON RECLAMATION AUTHORITY, a California joint powers authority ("**Authority**"), and CAM-CARSON LLC, a Delaware limited liability company ("**Developer**", or collectively with City and Authority, the "**Parties**").

R E C I T A L S :

A. The 157-Acre Property. The Authority acquired, and currently owns, approximately 157 gross acres of real property in the City of Carson, as shown on the Site Map attached hereto as **Exhibit "A"** (the "**Property**"). The Property is divided into five (5) Cells as shown on **Exhibit "A"** and is subject to The Boulevards at South Bay Specific Plan, approved on February 8, 2006, and amended on April 5, 2011 (the "**Specific Plan**"). The Property is a former landfill site, and on October 25, 1995, the California Department of Toxic Substances Control ("**DTSC**") approved a Remedial Action Plan ("**RAP**") for portions of the Property, which RAP requires the installation, operation and maintenance of certain remedial systems, including a landfill cap, gas extraction and treatment system, and groundwater collection and treatment system on the Property ("**Remedial Systems**").

B. Consent Decree and Compliance Framework. In a lawsuit initiated by DTSC entitled *California Department of Toxic Substances Control v. Commercial Realty Projects, Inc., et al.* (U.S. District Court, Central District of California, Civil Action No. 95-8773), the court entered a Consent Decree in December 1996; a Consent Decree resolving claims against Atlantic Richfield Company, et al. on March 29, 2001; a Supplemental Consent Decree on March 29, 2001; and Modifications by Consent to Supplemental Consent Decree and Defense Group Decree on March 29, 2001 (collectively, the "**Consent Decree**"). DTSC entered into the Compliance Framework Agreement dated as of September 28, 2006, with the property owner as amended by the First Amendment to Compliance Framework Agreement dated as of December 31, 2007 (collectively, the "**CFA**") for, as stated in the CFA, the purpose of setting forth a plan for implementing the Consent Decree, and the CFA required the property owner to establish financial assurance for implementation of the RAP, including long-term operation and maintenance of the Remedial Systems ("**O&M**").

C. Prior Owners of Property. L.A. MetroMall, LLC, a California limited liability company ("**L.A. MetroMall**"), as seller, and Hopkins Real Estate Group ("**Hopkins**"), as buyer, entered into a Real Estate Purchase Contract, dated March 1, 2004, for the purchase and sale of the Property (the "**2004 Agreement**"). Hopkins sold the Property to Carson Marketplace in 2005, and Carson Marketplace ("**CM**") sold the Property to Authority on May 20, 2015.

¹ Assuming City Council approval on July 5, 2016

D. Environmental Remediation. In connection with the obligation to implement the Remedial Systems, CM and Tetra Tech, Inc. (“**Tetra Tech**”) entered into a Fixed Price Design and Construction Environmental Assurance Agreement dated December 31, 2007, as amended, for, among other things, the design and construction of the Remedial Systems and a Fixed Price Operations and Maintenance Environmental Assurance Agreement dated December 31, 2007, as amended, for, among other things the operation, maintenance and monitoring of the Remedial Systems. In December 2007 AIG Environmental issued the Carson Marketplace Cleanup Cost Cap Insurance Policy (the “**AIG Policy**”), and in September 2006 CM also obtained a Pollution and Remediation Legal Liability Policy issued by XL Environmental; CM, Tetra Tech and Wells Fargo Bank, National Association, entered into a Carson Marketplace Design and Construction EAA Trust Agreement dated April 13, 2009, as amended by a First Amendment to Carson Marketplace Design and Construction EAA Agreement dated June 12, 2012 (collectively, the “**EAA Trust Agreement**”) to establish a trust account for funds to be paid to Tetra Tech for certain remediation activities, improvements and operations, payable upon completion of certain work (the “**EAA Trust Account**”). Tetra Tech has stated that the EAA Trust Account has a remaining balance of approximately \$30 million as of 2016. The Agency has been assigned all of CM’s rights and assumed all of CM’s obligations pursuant to the EAA Trust Agreement and EAA Trust Account.

E. Remediation Authority Acquisition. City determined that there were a number of former landfill and other sites with the need for remediation in the City, including the Property, and that a substantial need existed to establish an entity to perform such remediation and which could operate ongoing remediation systems, without putting City’s general fund and taxpayer dollars at risk for such cleanup expense. Accordingly City established a joint powers authority under the provisions of the California Joint Powers Act (Govt. Code Sections 6500 et seq.), and on January 20, 2015, the governing boards of the Housing Authority and Community Facilities Districts each approved an agreement for the formation of the Authority for the purpose of overseeing and facilitating the remediation of contaminated properties in the City, and for the maintenance and potential development of same, and said Authority was formed on February 17, 2015, and officers were elected April 20, 2015. Among the powers of Authority are to purchase, hold, sell, and improve real property, to appoint officers and employees, to enter contracts, to purchase insurance, to sue and be sued, and to construct, operate, and maintain remediation systems to alleviate soil contamination.

F. Authority Remediation of Property. CM and Authority, City, and the Successor Agency to the Carson Redevelopment Agency (the “**Successor Agency**”) entered into that certain Settlement, Release and Indemnity Agreement (the “**Settlement Agreement**”) dated May 20, 2015, pursuant to which Authority agreed to take title to the Property, as provided for in the Settlement Agreement, and pursuant to which Successor Agency committed to provide the remaining \$50.5 million in funding (the “**Funding**”) to Authority through the issuance of taxable bonds (“**Bonds**”); and the California Department of Finance (“**DOF**”) provided a determination that the Successor Agency’s obligation to provide the Funding is an enforceable obligation of the Successor Agency and that DOF has no objections to the transfer of the Property from CM to Authority, the issuance of bonds by Successor Agency to provide funding for completion of the remediation work and other infrastructure improvements. The Remedial Systems work is being undertaken with financial assistance being provided by the City, the Authority, the Carson Public

Financing Authority, and the Carson Successor Agency, successor to the dissolved Carson Redevelopment Agency, through the issuance of multiple series of bonds.

G. Area Underutilized. The Property is the largest tract of undeveloped property in the City as of the Effective Date, and represents significant potential for public benefit through appropriate development. The development of the Project (hereinafter defined) will provide the economic opportunity to finally remediate the Property some 60 years after closure of the landfill, and finally carry out the purposes of the Consent Decree and RAP. Moreover, the Property is currently underutilized, falling substantially short of its commercial, industrial, revenue-generating and job-generating potential. The City therefore seeks to enable the Property to be used for commercial uses, providing further economic and employment opportunities on and around the Property while maintaining high standards of development and environmental protection. The City seeks to utilize the Property in a manner that will maximize public benefits and welfare.

H. The Project Site. The Property has been vertically subdivided into a surface lot (the “**Surface Lot**”) and a subsurface lot (the “**Subsurface Lot**”), which lots are referenced on the “Designation of Parcels” (**Exhibit “B”**) as Parcels 1 (Subsurface Lot) and 2 (Surface Lot) of Parcel Map No. 70372. The Authority intends to negotiate with Developer for the conveyance to Developer of the Surface Lot only of Cell 2, which is approximately 46.33 gross acres (the “**Cell 2 Site**”) and the development thereon of a first-class regional fashion outlet shopping center. The Cell 2 Site is located directly southwest of the 405 freeway, and is uniquely positioned to attract retail and commercial business from Orange County, Long Beach, and Los Angeles. This creates a prime location for development of large-scale retail uses.

I. The Proposed Project. Prior development projects have been proposed on the Property as described above, including the Boulevards mixed use regional retail and entertainment project and a 75,000-seat NFL Stadium. While these projects have not proceeded, Developer is currently considering development of the Cell 2 Site, which development includes a state-of-the-art approximately 500,000 square foot regional fashion outlet mall (the “**Project**”). The Project is proposed to provide substantial economic and employment opportunities for the community, with a goal of generating at least 1,600 new direct construction jobs, with another 1,000 indirect and induced, as well as 1,500 new permanent jobs. The Project shall maintain high standards of urban design, architecture, and development, including “Cal-Green” and LEED building standards, adherence to building codes (subject to such variances as the city may approve), best practices for environmental protection, energy efficiency, water conservation, and reduced greenhouse gas emissions. The Project will also include necessary street and utility infrastructure to the extent located on the Cell 2 Site, but the Developer expects the City to provide all necessary street and utility infrastructure outside of the Cell 2 Site. Developer has submitted a conceptual proposal showing the proposed Project and attached as the “Preliminary Site Plan” as shown in Exhibit “C”. The Developer’s proposal at this point is a very general outline of Project potential. Developer will be required to submit more detailed concept plans, site plans and Project descriptions prior to receiving any further Project entitlements from the City, if any are required. This Agreement is only an agreement to negotiate and does not guaranty that the City will issue any further Project entitlements and does not in any way limit the City’s discretion in approving or disapproving the Project or any portion thereof.

J. *Developer's Qualifications.* Developer was previously investigating the development of a portion of the Property when owned by CM, and consequently has a working understanding of the development constraints and environmental conditions, and continues to conduct its due diligence investigations thereof. Developer and its affiliates currently own and manage 55 million square feet of regional shopping centers across the United States. Developer and its affiliates have demonstrated skill and expertise in retail and mixed use real estate development, the ability to attract reputable commercial tenants. Developer, headquartered in Santa Monica, has substantial local experience in development.

K. *Exclusive Negotiations on Agreement With Goal of Reaching a Conveyance Instrument.* The City and Developer are entering into an agreement to negotiate (“**Exclusive Negotiation Agreement**” or “**ENA**”), to negotiate in good faith to first agree on a memorandum of understanding (the “**MOU**”), and then negotiate and enter into one or more of purchase agreement and a long-term development agreement, or equivalent such agreement(s) effecting the conveyance of ownership of the Cell 2 Site to Developer, and setting forth the terms of Project development and operation (each and collectively, a “**Conveyance Instrument**”). In order to fund the costs of negotiating the necessary agreements and undertaking certain planning activities and consultant expenses, and to pay certain of the Authority’s costs for holding the Property, the Developer is agreeing to reimburse certain of Authority’s costs pursuant to this Reimbursement Agreement.

NOW, THEREFORE, and in consideration of the mutual covenants contained herein and incorporating the Recitals above which are deemed to be true and correct, and with the Exhibits are incorporated herein by reference, the parties mutually agree to the following:

AGREEMENT:

1. General.

1.1 Recitals. The Recitals set forth above are true and correct and are deemed incorporated herein by reference.

1.2 Exclusive Negotiating Agreement and Phasing of Study. Concurrently herewith the parties have entered into an ENA which has an Initial Term of 120 days to come to agreement on the terms of the MOU, and an Extended Term of 245 days to obtain any necessary additional entitlement and come to agreement on the terms of the Conveyance Instrument, development agreement and related agreements. Such periods may be extended in accordance with the terms of the ENA.

1.2.1 *Initial Term.* The ENA provides that its initial term commences on the Effective Date and terminates one hundred twenty days thereafter (“**Initial Term**”). During the Initial Term, the ENA requires the Developer to (i) conduct its due diligence with respect to the Property and the Project as described herein, (ii) develop the basic business terms of the transaction, (iii) develop an initial project schedule in cooperation with the City, and (iv) work diligently to produce a conceptual Project site plan.

1.2.2 Extended Term. If prior to expiration of the Initial Term the Parties agree on an MOU encompassing the points in Section 1.2.1 above, then the ENA provides for extension of the term of the ENA for an additional two hundred forty-five days to obtain any required additional entitlements and any required additional CEQA processing and negotiate a development agreement, Conveyance Instrument, Tax Sharing Agreement terms and other necessary agreements for the Cell 2 Site (the “**Extended Term**”, or, together with the Initial Term, the “**Term**”).

1.3 Deposits and Reimbursement. Within ten (10) days of the execution of this Agreement, and on the terms and conditions contained herein, the Developer shall (i) advance \$1,000,000 to City, and (ii) commence paying or reimbursing City for fifty percent of those types of carrying costs for the Cell 2 Site as are set forth on **Exhibit B** to this Agreement.

1.4 Sales Tax Advance. When and if the MOU is executed, Developer shall advance an additional \$1,000,000 to the City (the “**Sales Tax Advance Payment**”). The Sales Tax Advance Payment is a prepayment of the City’s portion of a portion of the sales taxes resulting from the Project, and is to be repaid to Developer from those sales taxes as received by the City in addition to and concurrently with any other sale tax reimbursements agreed to by the City. If Developer abandons the Project after making the Sales Tax Advance Payment, the City shall retain the Sales Tax Advance Payment, unless during the Extended Term (as the same may be extended pursuant to the ENA) City fails (i) to negotiate a development agreement incorporating the terms of the MOU and hold a public hearing thereon, or (ii) at the conclusion of such hearing, the City Council in a final action does not approve the development agreement and associated Conveyance Instruments.

1.5 Administration of Accounts. This Agreement provides for Developer’s payment for two types of Authority expenses, described herein as (i) reimbursement of “Eligible Expenses” from the “Deposit Account,” and (ii) payment or reimbursement of the pro rata share (Cell 2) of “Holding Costs”. Monies deposited with, paid to or reimbursed to the City may be aggregated and mingled with other funds of the City.

1.6 Effective Date. The Effective Date is the date when both this Agreement and the ENA have been executed and delivered by the last Party who must execute them to make them effective.

2. Conflicts of Interest.

2.1 No Financial Relationship. Developer acknowledges the requirements of Government Code Sections 1090 *et seq.* (the “**1090 Laws**”) and warrants that it has not entered into any financial or transactional relationships or arrangements that would violate the 1090 Laws, nor shall Developer solicit, participate in, or facilitate a violation of the 1090 Laws.

2.2 Developer's Representations and Warranties. Developer represents and warrants that for the twelve (12) month period preceding the effective date of this Agreement it has not entered into any arrangement to pay financial consideration to, and has not made any payment to, any City official, agent or employee that would create a legally cognizable conflict

of interest as defined in the Political Reform Act (California Government Code sections 87100 *et seq.*).

2.3 Developer's Acknowledgments. Subject to the reimbursement obligations set forth below, Developer acknowledges and agrees as follows with respect to the Project:

2.3.1 The City has sole discretion to select which of its employees and contractors are assigned to work on the Project.

2.3.2 The City has sole discretion to direct the work and evaluate the performance of the employees and contractors assigned to work on the Project, and the City retains the right to terminate or replace at any time any such person.

2.3.3 The City has sole discretion to determine the amount of compensation paid to employees or contractors assigned to work on the Project.

2.3.4 The City, not Developer, shall pay employees and contractors assigned to work on the application from a City account.

3. Deposit Account; Eligible Expenses.

3.1 Third Party Costs Related to Required Additional Approvals. City will incur costs relating to the review, processing, preparation and approval of any additional, supplemental or modified entitlements required for the Project, including the preparation and/or review of such plans, studies, permits, conditions, site plans, general plan or zoning entitlements, environmental documents, and agreements as may be required for the Project (“**Approvals**”).

3.2 Deposit. Within ten (10) business days following the Effective Date of this Agreement, Developer shall deposit with City One Million Dollars (\$1,000,000) (the “**Deposit**”) as a good faith deposit to cover the costs of Eligible Expenses (defined below).

3.3 Eligible Expenses. The Deposit shall be used only to pay for the reasonable and actual third-party out of pocket costs incurred by the City in connection with the following (all of which shall be deemed “**Eligible Expenses**”): (i) preparing, negotiating, and approving the Approvals; (ii) preparing and negotiating all further legal documents in connection with the Approvals, including without limitation, specific plan amendments, development agreements, disposition and development agreements, additional land use approvals and similar agreements and instruments; (iii) any and all legal costs related to the Approvals or Project, other than responding to challenges by Developer; (iv) defense of any legal or administrative action challenging any Approvals, other than challenges by Developer; (v) the actual fees and expenses of any consultants employed by the City in connection with the Project, including without limitation, a financial advisor, an environmental consultant or planning experts; (vi) studies, reports and design services, and agreements related to development of any Project-related infrastructure; and (vii) any and all other actions taken by the City in connection with the planning and development of the Project.

3.4 Administration of Deposit. The Deposit may be pooled with other funds of the City or Authority for purposes of investment and safekeeping. The Deposit shall not accrue interest. The City or Authority will administer the Deposit and the City may draw upon the Deposit to pay for Eligible Expenses. .

3.5 Unexpended Funds. Upon (i) expiration of the ENA after the Initial Phase, or thereafter, (ii) approval of all necessary entitlements for the Project, the expiration of all applicable appeal periods, and if a legal or administrative challenge is made to the entitlements, then upon the resolution of such challenge, or (iii) termination of this Agreement by any of the Parties, the City shall not unreasonably or unnecessarily incur any additional Eligible Expenses outside of those expenses reasonably required for the winding-down of Project completion or termination of this Agreement. If this Agreement is terminated by any of the Parties (thus terminating Developer's efforts to develop the Project), then the unexpended amount of the Deposit shall be refunded to Developer, provided that no more than \$750,000 of the Deposit shall be refunded under any circumstances. In such case, if the unexpended amount is greater than \$750,000, the difference shall be contributed to the Carson Community Foundation as a contribution from the Developer. If this Agreement is not terminated and the Cell 2 Site is conveyed to Developer, then any unexpended amount of the Deposit shall be contributed to the Carson Community Foundation as a contribution from the Developer.

4. Authority's Holding Costs.

4.1 Holding Costs. Authority currently incurs certain monthly third party out of pocket costs to maintain the 157 Acre Property, including to maintain the existing Remedial Systems. A schedule of the types of costs of the Authority in connection with the maintenance of the 157 Acre Property and the Remedial Systems ("**Holding Costs**"), and estimates of the amounts thereof, broken down by cell, is shown in the "Schedule of Holding Costs" and is attached as **Exhibit B**.

4.2 Payment or Reimbursement of Holding Costs for Cell 2. Developer shall pay fifty percent of the Holding Costs actually incurred by Authority with respect to the Cell 2 Site after the Effective Date, until Developer terminates this Agreement or acquires title to the Cell 2 Site. Developer shall monthly pay the amount shown in the Schedule of Holding Costs for Cell 2, commencing ten (10) days following the Effective Date, and on the same date of each month (or, if such date is not a business day, then on the next succeeding business day) thereafter during the term of this Agreement.

4.3 Reconciling Payment of Holding Costs for the Cell 2 Site. Quarterly, Authority shall provide an accounting of the pro rata share of Holding Costs, and a reconciliation comparing the payment by Developer with the actual costs. Adjustments will then be made to the next payment. If Authority finds that its actual costs for any Holding Costs advanced by Developer exceeds the scheduled Holding Costs in **Exhibit B**, Authority shall prepare a written accounting showing such excess expenses. Developer shall pay such amount to Authority within thirty (30) days of its receipt of a written request for payment together with reasonable documentation.

5. Developer's Rights Concerning Expenses and Review of Documents.

5.1 Statements of Account. Within twenty (20) days after the end of each calendar month, the City or Authority, as may be applicable, shall provide Developer a detailed accounting of expenditures made from the Deposit Account and with respect to Holding Costs, together with copies of all invoices for costs included in such request. The City or Authority shall make available for review copies of each statement or invoice received from any consultant or professional whose costs are chargeable from the Deposit or Advanced Funds, whichever being applicable (Developer shall pay for any extra accounting expenses if Developer requires reporting on a more frequent basis than quarterly). All privileged or confidential information shall be redacted or otherwise deleted from invoices for legal services provided to Developer.

5.2 City to Expedite Work. In consideration for Developer's agreement to provide the Deposit, City agrees to use its best efforts to expedite the processing of the entitlements. In furtherance thereof, City agrees to use its good faith efforts to cause all consultants and professionals retained by City to act in a diligent and expeditious manner in performing their work. To the extent that consultants and professionals must work overtime at the premium rates to expedite the process, through the Deposit, Developer shall pay for such expedited rates. Additionally, if Developer requires expedited performance from City employees, Developer shall pay the City for such expedited service at agreed rates, or may pay for a third party contract consultant, at rates agreed upon with City.

5.3 Agreement Not Debt or Liability of City or Authority. It is hereby acknowledged and agreed that this Agreement is not a debt or liability of the City or the Authority. The City shall not in any event be liable hereunder other than to return the unexpended and uncommitted portions of the Deposit, and to provide any accounting. Neither City nor Authority shall be obligated to advance any of their own respective funds with respect to any document or for any of the other purposes listed herein. No official, officer, employee or agent of the City or Authority shall be personally liable hereunder to any extent.

6. Indemnification and Hold Harmless.

6.1 Non-liability of City and Authority Concerning Entitlements. The Parties acknowledge that there may be challenges to the legality, validity and adequacy of the Approvals and/or this Agreement in the future; and if successful, such challenges could delay or prevent the performance of this Agreement and the development of the Project. Neither the City or Authority shall have liability under this Agreement for the inability of Developer to develop the Project as the result of a judicial determination that the entitlements, the general plan, the zoning, the land use regulations, or any portions thereof are invalid or inadequate or not in compliance with law.

6.2 Participation in Litigation: Indemnity. Developer agrees to indemnify, protect, defend, and hold harmless the City, the Authority, and their respective officials, officers, employees, agents, elected boards, commissions, departments, agencies, and instrumentalities thereof, from any and all actions, suits, claims, demands, writs of mandamus, liabilities, losses,

damages, penalties, obligations, expenses, and any other actions or proceedings (whether legal, equitable, declaratory, administrative, or adjudicatory in nature), and alternative dispute resolution procedures (including, but not limited to, arbitrations, mediations, and other such procedures) asserted by third parties against the City or the Authority that arise from, challenge, or seek to collect any monetary, declaratory, or equitable relief, void, set aside, or otherwise modify or annul, the action of, or any approval by, the City or the Authority for or concerning the Approvals (including, but not limited to, attorneys' fees and costs) (herein the "**Claims and Liabilities**"), whether such Claims and Liabilities arise out of or under planning and zoning laws, the Subdivision Map Act, Code of Civil Procedure section 1085 or 1094.5, or any other federal, state, or local statute, law, ordinance, rule, regulation, or any decision of a competent jurisdiction. In the event any action for any Claims and Liabilities is brought against the City and/or Authority, upon City's or Authority's notification to Developer of the pendency of a claim or suit to challenge the Approvals, the Developer shall make a minimum deposit sufficient to pay all of the Developer's estimated indemnification obligations for the next ninety (90) days, which includes legal costs and fees anticipated to be incurred as reasonably determined by the City and Authority. Developer shall make deposits required under this Section within ten (10) days of the City's or Authority's written request. At no point shall the minimum balance of the deposit fall below One Hundred Thousand Dollars (\$100,000). Developer may choose not to pay defense costs of a claim or lawsuit should the Developer actually terminate the Project and terminate this Agreement. Upon such termination, the City and Authority shall have the right to reimbursement of any amounts for fees and other costs that were reasonably incurred by the City or Authority up to the date of Developer's termination or for which the City or Authority may be liable as a result of the termination of the litigation. Notwithstanding the foregoing, Developer shall have no obligation to indemnify City or Authority against claims of Developer against City or Authority relating to the Approval process.

6.3 City Right to Abandon. If Developer fails to timely pay such funds, the City and Authority may abandon the action without liability to Developer and may recover from Developer any attorneys' fees and other costs for which the City or Authority may be liable as a result of abandonment of the action. It is expressly agreed that the City and Authority shall have the right to utilize the City Attorney's office or use other legal counsel of its choosing. Developer's obligation to pay the defense costs of the City or Authority shall extend until final judgment, including any appeals, unless this Agreement is otherwise terminated by Developer as described in the foregoing paragraph. City and Authority agree to fully cooperate with Developer in the defense of any matter in which Developer is defending and/or holding the City and Authority harmless. The City and Authority may make all reasonable decisions with respect to their respective representation in any legal proceeding, including their inherent right to abandon or to settle any litigation brought against them in their reasonable discretion.

6.4 Hold Harmless: Developer's Construction and Other Activities. Developer hereby agrees to, and shall defend, save and hold the City, the Authority, and each of their respective 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, that may arise, directly or indirectly, from Developer's or Developer's agents, contractors, subcontractors, agents, or employees' development pursuant to the Approvals, whether such development is conducted by Developer or by any of Developer's agents, contractors or subcontractors or by any one or more persons directly or indirectly employed by

or acting as agent for Developer or any of Developer's agents, contractors or subcontractors. Nothing herein is intended to make Developer liable for the acts of the City's or Authority's officers, employees, agents, contractors, or subcontractors.

6.5 Exception. The obligations of Developer under this Section shall not apply to any claims, actions, or proceedings arising through the gross negligence or willful misconduct of the City, the Authority, and their respective members, officers, or employees.

6.6 Survival of Indemnity Obligations. All indemnity provisions set forth in this Agreement shall survive termination of this Agreement.

7. Notices. Any notices, requests, demands, documents, approvals or disapprovals given or sent under this Agreement from one party to another (collectively, the "**Notices**") shall be given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to Developer: CAM-Carson LLC
c/o The Macerich Company
401 Wilshire Boulevard, Suite 700
Santa Monica, California 90401
Attention: Thomas J. Leanse, Esq.
Email: Thomas.leanse@macerich.com

With a copy to: Manatt, Phelps & Phillips, LLP
11355 West Olympic Boulevard
Los Angeles, California 90064
Attention: Tom Muller, Esq.
Email: tmuller@manatt.com

If to the City: City of Carson
701 East Carson Street
Carson, CA 90745
Attn: City Manager
Email: kfarfsing@carson.ca.us

If to the Authority: Carson Reclamation Authority
701 East Carson Street
Carson, CA 90745
Attn: Executive Director
Email: kfarfsing@carson.ca.us

With a copy to: Sunny K. Soltani, Esq.
Aleshire & Wynder, LLP
18881 Von Karman Avenue, Suite 1700
Irvine, CA 92612
Email: ssoltani@awattorneys.com

Each such Notice shall be deemed delivered to the party to whom it is addressed: (i) if personally served or delivered, upon delivery; (ii) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, seventy-two (72) hours after such notice is deposited with the United States mail; (iii) if given by overnight courier, with courier charges prepaid, twenty-four (24) hours after delivery to said overnight courier; (iv) if sent by electronic mail, when received as evidenced by confirmation of receipt, or (v) if given by any other means, upon delivery at the address specified in this Section.

8. Enforcement.

8.1 California Law. This Agreement shall be governed by, construed in accordance with, and interpreted under the laws of the State of California. The venue for any litigation regarding this Agreement shall be Los Angeles County, State of California.

8.2 Legal Action. In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

8.3 Termination. Upon Developer's termination, withdrawal from, or abandonment of the Project, which Developer may do at any time, this Agreement and the ENA shall terminate upon written notice by Developer to City and Authority. A notice of termination of this Agreement shall be in writing and describe the circumstances under which the Project is terminated, withdrawn, expired or abandoned.

8.3.1 *Meet and Confer.* No termination shall be effective until 30 days after the parties have at least had an initial meet and confer session as to whether the cause for the termination can be cured, provided that the parties shall meet and confer within 14 days of Developer's notice of desire to terminate. The foregoing time periods can be extended by mutual agreement of the parties.

8.3.2 *Payment of Eligible Expenses.* Upon such termination of this Agreement or upon completion of the Project, the City shall have the right to withdraw from the advance made under clause (i) of Section 1.3 hereof any amounts for Eligible Expenses then due. To the extent such outstanding Eligible Expenses exceed the amount of such advance, Developer shall pay those excess amounts within thirty (30) days of termination of this Agreement or completion of the Project, as may be applicable.

8.3.3 *Holding Costs.* Developer shall be liable to pay to Authority any amounts then due for any Holding Costs until thirty (30) days following the termination.

8.3.4 *Indemnity.* The indemnity obligations in Article 6 shall survive per Section 6.6, and after adoption of the development agreement, the \$5.6 million guarantee provided therein shall survive.

8.4 Attorneys' Fees. In the event that any party shall commence any legal action or proceeding to enforce or interpret this Agreement, the prevailing party in such action or proceeding shall be entitled to recover its costs of suit, including reasonable attorneys' fees.

9. Miscellaneous.

9.1 Right to Assign. Developer has the right to transfer or assign its obligations under this Agreement to (i) any an entity at least fifty percent owned and effectively controlled by The Macerich Partnership, L.P., without need for consent, or (ii) any other successor development entity carrying out the Project with the written consent of the City and Authority, which consent the City and Authority can unilaterally determine to give or withhold. Upon such approved transfer, the obligations of the Developer hereunder shall transfer to the successor, and Developer shall be relieved of its obligations hereunder, including the indemnification obligations provided in this Agreement.

9.2 Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent reasonably possible.

9.3 Interpretation. In the event of any asserted ambiguity in, or dispute regarding, the interpretation of any matter herein, the interpretation of this Agreement shall not be resolved by any rules of interpretation providing for interpretation against the party who caused the uncertainty to exist or against the drafting party. The ENA and this Agreement including the Exhibits hereto and thereto, are the entire, complete and exclusive expression of the understanding of the parties. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement.

9.4 Amendment. No amendment to or modification of this Agreement shall be valid unless made in writing and approved by City Council and Developer. The parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

9.5 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original.

9.6 Authority. The persons executing this 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 Agreement on behalf of said party; and (iii) the entering into of this Agreement does not violate any provision of any other agreement to which said party is bound.

IN WITNESS THEREOF, the Parties hereto have executed this Agreement as of the day and year written alongside their respective signature line below.

Executed on: _____, 2016

CITY OF CARSON

ATTEST:

City Clerk

Albert Robles
Mayor

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

Sunny K. Soltani
City Attorney

Executed on: _____, 2016

**CARSON RECLAMATION
AUTHORITY**

ATTEST:

Board Secretary

Chair

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

Sunny K. Soltani
Authority Counsel

Executed on: _____, 2016

"DEVELOPER":

CAM-CARSON LLC,
a Delaware limited liability company

By: _____
Thomas J. Leanse, Senior Executive
Vice President, Chief Legal Officer and
Secretary

EXHIBIT A

SITE DESCRIPTION AND DEPICTION

EXHIBIT B
CARSON RECLAMATION AUTHORITY - HOLDING COSTS

Original CRA Work Orders/Ongoing Costs

Pro Rata Percentages by Month by Cell

Description of Work	Gross Cost	Average Monthly Cost	Pro Rata Percentages by Month by Cell				
			Cell 1 11.87%	Cell 2 32.13%	Cell 3 21.92%	Cell 4 25.96%	Cell 5 8.11%
Project Management Paid to Tetra Tech	\$523,922.69	\$65,490.34	\$7,773.82	\$21,041.93	\$14,357.39	\$17,003.58	\$5,313.62
Perimeter Monitoring	\$311,443.56	\$38,930.45	\$4,621.11	\$12,508.28	\$8,534.69	\$10,107.70	\$3,158.66
Vector Control	\$41,902.21	\$5,237.78	\$621.73	\$1,682.89	\$1,148.27	\$1,359.91	\$424.97
Site Security	\$395,294.80	\$49,411.85	\$5,865.28	\$15,875.94	\$10,832.52	\$12,829.04	\$4,009.08
Watering Perimeter	\$82,798.89	\$10,349.86	\$1,228.55	\$3,325.39	\$2,268.99	\$2,687.19	\$839.75
Storage Yard Maintenance	\$15,440.17	\$1,930.02	\$229.10	\$620.11	\$423.12	\$501.10	\$156.59
Quarterly Soil Gas Monitoring Report	\$43,619.26	\$5,452.41	\$647.21	\$1,751.85	\$1,195.33	\$1,415.64	\$442.39
Construction Management for Groundwater Collection System	\$90,726.71	\$11,340.84	\$1,346.18	\$3,643.79	\$2,486.24	\$2,944.48	\$920.15
SWPPP	\$674,255.78	\$84,281.97	\$10,004.42	\$27,079.64	\$18,477.07	\$21,882.54	\$6,838.29
LFG OM&M	\$232,358.07	\$46,471.61	\$5,516.27	\$14,931.24	\$10,187.94	\$12,065.65	\$3,770.52
Concrete Crushing	\$173,010.70	\$43,252.68	\$5,134.17	\$13,897.01	\$9,482.25	\$11,229.90	\$3,509.34
Subtotal Tetra Tech	\$2,584,772.84	\$362,149.80	\$42,987.84	\$116,358.07	\$79,393.81	\$94,026.72	\$29,383.35
SCS Engineers	\$120,000.00	\$15,000.00	\$1,780.53	\$4,819.47	\$3,288.44	\$3,894.52	\$1,217.04
SEG Advisors	\$160,000.00	\$20,000.00	\$2,374.04	\$6,425.96	\$4,384.58	\$5,192.70	\$1,622.72
Total	\$2,864,772.84	\$397,149.80	\$47,142.41	\$127,603.50	\$87,066.84	\$103,113.94	\$32,223.11

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