

**EXCLUSIVE NEGOTIATING AGREEMENT BY AND BETWEEN THE
CITY OF HAWTHORNE AND ABODE COMMUNITIES**

THIS EXCLUSIVE NEGOTIATING AGREEMENT ("Agreement") is dated as of June 24, 2025, for reference purposes only, and is entered into by and between the CITY OF HAWTHORNE, a California municipal corporation ("City") and ABODE COMMUNITIES, a California nonprofit organization ("Developer"). City and Developer are sometimes referred in this Agreement individually, as a "Party" and, collectively, as the "Parties." This Agreement is entered into by the Parties with reference to the following recited facts (each, a "Recital"):

RECITALS:

A. City, acting in the capacity as the Successor Housing Agency to the former Community Redevelopment Agency of the City of Hawthorne, is the fee owner of that certain real property located immediately south of 14115 Cordary Avenue, (APN: 4051-030-902), in the City of Hawthorne and State of California more specifically described in Exhibit "A" ("Property"); and

B. On August 1, 2024, the City issued a Notice of Funding Availability and Request for Affordable Housing Development Proposals ("NOFA/RFP"); and

C. The Property qualifies as exempt surplus land under State of California Government Code Title 5, Division 2, Part 1, Chapter 5, Article 8; and

D. On March 25, 2025, City selected Developer to partner with City to develop the Property for affordable housing ("Project"); and

E. City and Developer wish to negotiate to reach agreement on the terms and conditions for the sale or lease of the Property by City, the design, construction, and development of the Project, continued maintenance and security for the Property, as well as the operation of the Property to fulfill requirements of the Project and the intent to provide affordable housing. The negotiated agreement(s) would provide the terms and conditions for the design, financing, construction, operation, and maintenance of the proposed Project; and

F. The intent of both City and Developer in entering into this Agreement is to establish a specific period of time to negotiate regarding a future agreement between the Parties governing the potential lease or acquisition of the Property, development of the Project on the Property, and funding to be provided by the City, all subject to mutually agreeable terms, conditions, covenants, restrictions and agreements to be negotiated and documented in a future disposition and development agreement ("DDA").

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, Developer and City hereby agree, as follows:

1. Agreement to Negotiate in Good Faith. City and Developer agree that for the term of the "Negotiating Period" (as defined in Section 2 hereof) each Party shall diligently and in good faith attempt to negotiate the terms of the DDA for consideration by the Hawthorne City Council

("City Council"). During the Negotiating Period, City agrees to negotiate exclusively with Developer, and not to negotiate with any other person or entity, with regard to the sale or other disposition of the Property.

1.1 Without limitation, among the issues to be addressed in the negotiations for the DDA are: (1) the lease or transfer of the Property by the City to Developer; (2) the proposed design for the Project, architectural drawings detailing the Project, including, but not limited, to the design and type of required structures to be constructed; (3) the development schedule for the proposed Project; (4) a budget that sets forth the costs and fees to design, build, operate, and maintain the Project (including a sources and uses budget) ("Project Budget"); (5) the operational procedures for selecting tenants and managing the Project as affordable housing; (6) terms and conditions for the continued maintenance of the Property and operation of the Project; (7) a commitment by City to provide Developer with a loan from the Low- and Moderate-Income Housing Asset Fund ("LMIHAF"), Permanent Local Housing Allocation ("PLHA") funds, and/or Local Housing Trust Fund ("LHTF") funds in an amount to be determined, and Developer's compliance with the applicable funding source requirements and restrictions; (8) terms and conditions for Developer seeking outside funding; (9) a regulatory agreement, or other similar agreement, that provides for an eligibility for occupancy based on income, affordability, and any other special need restrictions; (10) design or architectural requirements; (11) a schedule of performance; and (12) terms and conditions for regulatory compliance, including, but not limited to, the requisite environmental analysis under the California Environmental Quality Act ("CEQA").

2. Negotiating Period. The rights and duties of the Parties established by this Agreement shall commence on the date that the Parties each execute this Agreement ("Effective Date"). The negotiating period ("Negotiating Period") shall be for a period of seven hundred thirty (730) days, commencing on the Effective Date. The City Manager of City, or his or her designee, shall have the right, in his or her sole discretion, to extend the Negotiating Period for up to an additional one hundred twenty (120) days, resulting in a total potential Negotiating Period of up to eight hundred fifty (850) days. Upon the expiration of the Negotiating Period, or upon the Parties' signing the DDA for the Property, this Agreement shall automatically terminate, without further written notice or action by either Party. Upon such automatic termination, the Parties acknowledge and agree that neither Party shall have any further rights or remedies as to the other, except as specifically set forth herein.

3. Developer Right to Terminate. Developer shall have the right to terminate this Agreement if at any time following the Effective Date the Developer determines the Project is economically infeasible or for any other reason in the Developers' sole and absolute discretion. Upon termination of this Agreement, none of the Parties shall have any further rights or obligations hereunder, except as to the Administrative Fee as set forth in Section 5.1.

4. Developer Acknowledgements. The Developer hereby acknowledges and agrees that no provision of this Agreement shall be deemed to be an offer by the City (or an acceptance by the City of any offer or proposal from the Developer) to convey any interest in the Property to the Developer. The Developer further agrees and understands that any sale of the Property is contingent upon final approval of such sale by the City Council of the City of Hawthorne, in its sole and absolute discretion, and that by entering into this Agreement the City cannot and does not

guarantee such approval by the City Council of the City of Hawthorne. Any studies relating to the Property that may hereafter be undertaken by the Developer, in its sole discretion, shall be the sole responsibility of the Developer and shall not be deemed to be undertaken for the benefit of the City.

4.1 The Developer shall negotiate exclusively with the City's negotiating team and with no third parties with respect to the Property unless expressly authorized to do so by the City's negotiating team.

4.2 The qualifications of Developer are of particular interest to City. Consequently, with the exception of an "Affiliate" (as defined below) or a limited partnership in which Developer or an Affiliate of Developer is the general partner, no person or entity, whether a voluntary or involuntary successor of Developer, shall acquire any rights or powers under this Agreement, nor shall Developer assign all or any part of this Agreement, without the prior written approval of City. Any such approval by City may be granted, withheld or denied at City's sole and absolute discretion. Any other purported transfer, voluntarily or by operation of law, shall be absolutely null and void and shall confer no rights whatsoever upon any purported assignee or transferee. As used in this Agreement, the term "Affiliate" means any person or entity directly or indirectly, through one or more intermediaries, controlling, controlled by or under common control with Developer. The term "control" as used in the immediately preceding sentence, means, with respect to a person or entity that is a corporation, the right to the exercise, directly or indirectly, of more than fifty percent (50%) of the voting rights attributable to the shares of the controlled corporation, and, with respect to a person or entity that is not a corporation, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the controlled person or entity.

4.3 The Developer shall promptly notify the City in writing of any proposed assignment of Developer's interest in the Agreement. Upon the occurrence of any material change in interest or control, whether voluntary or involuntary, in membership, ownership, management or control of the Developer (other than such changes occasioned by the death or incapacity of any individual or routine change in the composition of the board of directors of Developer in accordance with Developer's bylaws) unless approved in writing, in advance, by the City Manager, the City may terminate this Agreement by serving written notice of such termination on the Developer referencing this Section.

4.4 In carrying out its tasks and obligations under this Agreement, the Developer shall comply with all applicable federal, state, and local laws and regulations.

4.5 Developer agrees, notwithstanding anything to the contrary in this Agreement, the completion of the environmental review required under 24 CFR Part 58 and approval of the U.S. Department of Housing and Urban Development ("HUD") is a condition precedent to closing funding. City agrees that Developer reserves the absolute right to terminate this Agreement in the event Purchaser receives notice that HUD disapproves of the environmental review or the environmental review demonstrates the Property is not suitable for Developer's purposes by sending written notice thereof to City, in which event neither party shall have any further rights, duties, or obligations hereunder, except as expressly provided in this Agreement.

5. Required Actions and Negotiation Tasks. Within ninety (90) calendar days after the Effective Date, Developer shall, at its sole cost and expense, provide the City with a detailed financial analysis for the Project containing, among other matters, the development costs of the proposed Project, a detailed development budget, an operations budget, including but not limited to costs for maintenance, property management, and supportive services, and other costs that will be associated with the Project ("Financing Proposal"). The Financing Proposal shall be refined by the Parties during the Negotiating Period, as appropriate, and will be used to evaluate the financial feasibility of the proposed Project, to assist in the negotiation of terms, and assist with finalizing a Project Budget. The Financing Proposal shall also include the terms, scope, and limits to annual financing from City, as well as a schedule of financing for the proposed Project.

5.1 Developer shall deposit with the City an administrative fee ("Administrative Fee") in the amount of Twenty-Five Thousand Dollars (\$25,000) to be used to reimburse the City for its reasonable attorneys' fees and third-party expenses incurred in connection with negotiating and preparing the DDA whether or not negotiations result in the execution of a DDA. In the event, at the end of the negotiation period set forth in this Agreement, a DDA is not executed, the balance of the Administrative Fee shall be refunded to Developer, within thirty (30) days of termination, less the costs set forth above. If negotiations result in the execution of a DDA, the Administrative Fee shall be applied to the good faith deposit to be required under such DDA.

5.2 The DDA will provide that commencing upon the close of escrow or the execution of a ground lease, Developer will be solely responsible for all development (including site development), continual maintenance of the site (following Developer's acquisition thereof), and operational costs of the proposed Project, except insofar as Developer receives funding from the City or other sources as set forth in a Project Budget. Developer acknowledges that the construction and future maintenance of the proposed Project may be subject to the State of California's prevailing wage requirements and/or federal prevailing wage requirements. The DDA will include a provision that establishes Developer as solely responsible for compliance with all local, state, and federal laws.

5.3 The negotiations for the DDA will address, among other items, the terms; the form, amount, and financing considerations for the proposed Project; the scope and schedule of development; the affordable housing regulatory agreement or covenant; maintenance and operation of the Property; the selection process for individuals referred to or eligible for occupancy of the units in the Project; the potential funding obligations from the LHTF funding, and any other sources of funding for the Project; and any other requirements for Developer and operation of the Project. The City's affordability restrictions shall be recorded against the Property and may be senior to any financing liens. The parties acknowledge, however, that Developer's ability to obtain construction and permanent financing may require negotiation of the relative lien priorities. The parties shall work together in good faith to structure and record the affordability restrictions in a manner that is acceptable to the City, consistent with applicable funding source requirements, and reasonably acceptable to Developer's construction and permanent lenders. Notwithstanding the foregoing, in the event of a loss of subsidy or a foreclosure by a senior lender, the parties agree to work in good faith to permit the City's affordability restrictions to float up to the extent necessary to achieve the project's financial feasibility.

5.4 The DDA will be subject to the City's insurance requirements (set forth below) and all other applicable and customary City policies. The DDA may require appropriate performance and payment bonds (consistent with industry standards involving public-private projects) with regard to the construction of the proposed Project or another form of assurance that is acceptable to the City.

5.5 The DDA can be subject to other provisions that the City and Developer determine to be necessary or appropriate to implement the proposed Project.

6. Development Documents. The DDA must include a scope of development, site plan, design and planning drawings, grading documents, utility connections, parking locations and other documents that identify the development of the Property for the purpose of operating the Project.

6.1 If this ENA is terminated for any reason other than a default by the City, Developer shall, at its sole cost and expense, provide the City, without any representation or warranty with true and correct copies of all final reports, studies, analyses, and similar documents prepared or commissioned by Developer with respect to this Agreement and the proposed Project, excluding any confidential financial information prepared by Developer.

6.2 Within fifteen (15) business days of the Effective Date, the City will, without any representation or warranty, provide Developer with all documents relating to the Property (including, but not limited to, environmental, property physical condition, geological studies, engineering and structural analyses, and geotechnical reports and soil tests and analyses) to the extent reasonably known to be in City's possession or control.

6.3 The City reserves the right, during the Term of this Agreement, to request reasonable additional information and data from Developer that it considers necessary for review and evaluation of the Property and the proposed Project, which Developer will provide in a timely manner provided that such information has been obtained by Developer pursuant to this Agreement or is otherwise in Developer's possession and control.

7. Due Diligence. During the Negotiating Period, Developer and its employees, contractors, agents, representatives, architects, engineers and consultants (collectively, the "Developer Entities"), at Developer's sole cost and expense, shall have the right to enter and inspect the Property, make surveys and conduct such soils, engineering, hazardous or toxic material, pollution, seismic or other tests, studies and investigation as Developer may require (collectively, the "Inspections"), pursuant to the terms of this Section.

7.1 Developer shall conduct Inspections during regular business hours (Monday through Friday, 7:00 AM to 6:00 PM) upon no less than twenty-four (24) hours' prior written notice to City. City may have a representative present at any Inspections of the Property.

7.2 In conducting its Inspections at the Property, Developer and the Developer Entities shall: (i) not damage any part of the Property (other than invasive testing conducted in accordance with Sections 7.3 and 7.4 below) or any personal property owned or held by any third party; (ii) promptly repair any damage to the Property resulting from the entry by Developer or the Developer Entities or from any such Inspections; provided that Developer shall not be obligated

to repair conditions merely discovered by Developer or the Developer Entities in conducting their Inspections (iii) comply with all applicable laws; and (iv) not permit any liens to attach to the Property by reason of the exercise of Developer's rights hereunder.

7.3 Notwithstanding anything to the contrary in this Section, Developer shall not undertake any invasive testing, including, without limitation, taking samples of any kind or type from the Property, without City's prior written approval, which approval shall not be unreasonably withheld or delayed.

7.4 Promptly upon the completion of each Inspection, Developer shall cause the portion of the Property subject to such Inspection to be restored to the condition existing immediately prior to such Inspection, to the extent reasonably practicable; provided that Developer shall not be obligated to repair conditions merely discovered by Developer or the Developer Entities in conducting their Inspections or caused by the City or the City Personnel. In the event this Agreement is terminated for any reason other than a default by the City, Developer shall, upon written request by the City, deliver to the City copies of any third-party, non-proprietary reports or studies concerning the physical condition of the Property or its suitability for development, to the extent such reports have been obtained and fully paid for by Developer as of the date of termination. This obligation excludes any proprietary or internal analyses, models, or materials prepared by or for Developer. The City acknowledges that the delivery of any such reports shall be without representation or warranty of any kind, and subject to any third-party license or use restrictions governing such materials.

7.5 Developer hereby indemnifies, defends, and holds harmless City and City's officers, officials, members, employees, agents, and representatives (collectively, the "City and City Personnel"), and the Property, free and harmless from and against any and all claims, damages, liabilities, demands, injury, actions, liens, stop notices, losses, costs and expenses (including without limitation reasonable attorneys' fees and court costs) arising from or as a result of any action by Developer or Developer Entities in connection with conducting Inspections, except to the extent caused by an indemnified party's active negligence, recklessness or intentional misconduct or merely discovered by Developer or the Developer Entities in conducting their Inspections.

7.6 Developer's obligations under this Section 7 shall survive the expiration or termination of this Agreement.

8. Environmental Review. Developer will be responsible for compliance with the requirements of the CEQA pursuant to California Public Resources Code Sections 21000 et seq. and California Code of Regulations Sections 15000 et seq., in connection with the proposed use of the Property and the development of the proposed Project. Nothing in this Agreement shall be construed to compel the City to approve or make any particular findings with respect to such CEQA documentation. Developer shall provide such information about the proposed Project as may be required to enable the City to consider any CEQA-required document and shall otherwise generally cooperate with the City to complete this task.

8.1 If the City, in its sole discretion, determines that the future approval of the DDA requires non-feasible mitigation measures, or fails to yield benefits that outweigh significant

unavoidable impacts, or the City otherwise determines, in its sole discretion, that it is unable to make any finding required by CEQA as a prerequisite to approval of the DDA, the City may terminate this Agreement, without penalty. Upon such termination, neither Party shall have any further duties, obligations, rights, or liabilities under this Agreement, except for those rights and obligations that expressly survive termination of this Agreement.

8.2 The Parties intend this Agreement to reflect the basic understanding between them, but agree that the DDA contemplated herein shall be subject to, and contingent on, the City's approval, in its sole discretion, of a final CEQA determination. This Agreement does not constitute a legally binding commitment to a specific project, to the proposed Project, to any transfer of the Property, or to the DDA.

9. Progress Reports. From time to time as reasonably requested by the City, the Developer agrees to make oral and written progress reports advising the City on all matters related to the proposed Project, including financial feasibility analyses, construction cost estimates, marketing studies, and similar due diligence matters.

10. Community Engagement. The City and Developer shall confer and seek agreement on an appropriate strategy to obtain input from community members regarding the proposed Project.

11. Insurance. Without limiting Developer's indemnification obligations under this Agreement, Developer shall procure and maintain, at its sole cost and for the duration of this Agreement, insurance coverage as provided below, against all claims for injuries against persons or damages to property which may arise from or in connection with the performance of the work hereunder by Developer and/or the Developer Entities, including without limitation conducting Inspections. In the event that Developer subcontracts any portion of the work, the contract between Developer and such subcontractor shall require the subcontractor to maintain the same types (with the same endorsements) and amounts of insurance that Developer is required to maintain pursuant to this Section.

11.1 Commercial General Liability Insurance which affords coverage at least as broad as Insurance Services Office "occurrence" form CG 00 01 including completed operations and contractual liability, with limits of liability of not less than \$3,000,000 per occurrence and \$5,000,000 annual aggregate for liability arising out of Developer's performance of this Agreement, including without limitation conducting Inspections. Such insurance shall be endorsed to:

- (a) Name the City and City Personnel as additional insureds for claims arising out of Developer's performance of this Agreement, including without limitation Developer's conducting of the Inspections.
- (b) Provide that the insurance is primary and non-contributing with any other valid and collectible insurance or self-insurance available to City.

11.2 Automobile Liability Insurance with a limit of liability of not less than \$2,000,000 per occurrence and \$4,000,000 annual aggregate. Such insurance shall include

coverage for all "owned," "hired" and "non-owned" vehicles, or coverage for "any auto." Such insurance shall be endorsed to:

- (a) Name the City and City Personnel as additional insureds for claims arising out of Developer's performance of this Agreement, including without limitation Developer's conducting of the Inspections.
- (b) Provide that the insurance is primary and non-contributing with any other valid and collectible insurance or self-insurance available to City.

11.3 Workers' Compensation Insurance in accordance with the Labor Code of California and covering all employees of Developer providing any service in the performance of this Agreement; provided, however, that Developer shall not be required to obtain workers' compensation insurance because Developer does not have any employees, so long as Developer executes a Workers' Compensation Waiver in the substantially the form set forth in Exhibit "B" to this Agreement. Such insurance shall be endorsed to waive the insurer's right of subrogation against the City and City Personnel.

11.4 Evidence of Insurance: Developer shall provide City a Certificate(s) of Insurance evidencing such coverage, together with copies of the required policy endorsements, no later than five (5) business days prior to commencement of any inspections and prior to the expiration of any policy. Statements on an insurance certificate will not be accepted in lieu of the actual endorsements required. Coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits, non-renewed, or materially changed for any reason, without thirty (30) days prior written notice thereof given by the insurer to City by U.S. mail, or by personal delivery, except for nonpayment of premiums, in which case ten (10) days prior notice shall be provided.

11.5 Acceptability of Insurers. Each policy shall be from a company with current A.M. Best's rating of A- VII or higher and authorized to do business in the State of California, or otherwise allowed to place insurance through surplus lines brokers under applicable provisions of the California Insurance Code or any federal law. Any other rating must be approved in writing by City.

12. No Predetermination of City Discretion. The Parties acknowledge and agree that nothing in this Agreement in any respect does or shall be construed to affect or prejudice the exercise of City's discretion concerning the consideration of the DDA. The Parties do not intend for this Agreement to be a DDA or lease or conveyance of the Property. The Parties acknowledge and agree that they have not agreed upon the essential terms of the subject matter of the transaction, and that such essential terms will be the subject matter of further negotiations. The Parties acknowledge and agree that any final agreement, if an agreement is reached, would be in the form of a DDA, and any such Agreement would not be effective until it has been considered and formally approved by the City Council and Developer, and thereafter has been executed by authorized representatives of each Party. Notwithstanding anything in this Agreement to the contrary, City does not intend this Agreement to commit to a definite course of action with respect to the Property, and City retains full discretion with respect to (i) the Property, (ii) the DDA, (iii) any determination under the California Environmental Quality Act of 1970, Public Resources

Code Section 21000, et seq. (i.e., CEQA) with respect to the consideration of a DDA and/or any proposed development of the Property.

13. Costs and Expenses. Each Party shall be responsible for its own costs and expenses in connection with any activities and negotiations in connection with the performance of its obligations under this Agreement.

14. Lead Negotiators. The City Manager, or his or her designee, shall be the lead negotiator for the City with respect to the subject matter of this Agreement. Lara Regus, of Developer, or her designee, shall be the lead negotiator for Developer with respect to the subject matter of this Agreement.

15. Address for Notices. Any notices pursuant to this Agreement shall be in writing and delivered (i) in person, (ii) by reputable overnight delivery service that provides a receipt with the time and date of delivery, such as Federal Express, or (iii) by United States Mail, certified or registered, postage prepaid, return receipt requested, to the following addresses:

To City: City of Hawthorne
4455 W. 126th Street
Hawthorne, CA 90250
Attn.: Planning Director

With a copy to: City of Hawthorne
4455 W. 126th Street
Hawthorne, CA 90250
Attn.: City Attorney

To Developer: Abode Communities
1149 Hill Street, Suite 700
Los Angeles, CA 90015
Attn.: President

With a copy to: Bocarsly Emden Cowan Esmail & Arndt LLP
633 West Fifth Street, Suite 5880
Los Angeles, CA 90071
Attention: Nicole Deddens

Any Party may designate a different address for itself by notice. Any notice, demand, or document so given, delivered, or made by United States mail, shall be deemed to have been given seventy-two (72) hours after the same is deposited in the United States mail as registered or certified mail, addressed to addresses above, with postage thereon fully prepaid. Any notice, demand, or document delivered by overnight delivery service shall be deemed complete upon actual delivery or attempted delivery, provided such attempted delivery is made on a business day. Any such notice, demand, or document not given by registered or certified mail or by overnight delivery service as aforesaid shall be deemed to be given, delivered, or made upon receipt of the same by the Party to whom the same is to be given or delivered.

16. Default. Failure by either Party to negotiate in good faith or to perform any of its obligations as provided in this Agreement shall constitute a default under this Agreement. The non-defaulting Party shall give written notice of a default to the defaulting Party, specifying the nature of the default and the action required to cure the default. If the default remains uncured thirty (30) days after the date of such notice or such longer period of time as is reasonably necessary to cure the default, provided that the defaulting party commences to cure the default within said thirty (30) day period and, thereafter, reasonably diligently prosecutes the cure to completion, the non-defaulting Party may exercise the remedies set forth in Section 17 of this Agreement.

17. Remedies for Breach of Agreement. In the event of an uncured default under this Agreement, the sole remedies of the non-defaulting Party shall be to (a) terminate this Agreement, (b) institute an action for specific performance of this Agreement, or (c) institute legal action to recover actual damages for the default (limited to actual, documented out-of-pocket costs incurred by the non-defaulting Party as a result of such default). Following the termination of this Agreement, neither Party shall have any further rights, remedies, or obligations under this Agreement, except as specifically set forth herein. Neither Party shall have any liability to the other for monetary damages for failure to reach agreement on the DDA, and each Party hereby waives and releases any such rights or claims it may otherwise have at law or at equity. The Parties' rights and obligations under this Section 17 shall survive the expiration or termination of this Agreement.

18. Reserved.

19. Entire Agreement. This Agreement constitutes the entire understanding and agreement of the Parties, integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the Parties or their predecessors in interest with respect to all or any part of the subject matter hereof.

20. Time of Essence. Time is of the essence of every portion of this Agreement in which time is a material part.

21. Agreement Does Not Constitute Development Approval. City reserves final discretion and approval as to any proposed development of the Property and any DDA and all proceedings and decisions in connection therewith. This Agreement shall not be construed as a grant of development rights or land use entitlements to construct the Project or any other development on the Property. All design, architectural, and building plans for any proposed development shall be subject to the review and approval of City and any other Federal, State or local entity with jurisdiction over the Property and/or proposed development. By its execution of this Agreement, City is not committing itself to or agreeing to undertake any disposition of the Property to Developer, or any other acts or activities requiring the subsequent independent exercise of discretion by City or any agency or department thereof.

21.1 Notwithstanding the foregoing, the City anticipates initiating a separate process to entitle the Property prior to any transfer of site control, and the parties anticipate that such entitlement process, along with the responsibilities and timing related thereto, will be addressed in more detail in the DDA. Nothing in this Agreement shall obligate the City to complete such entitlement process or limit the City's discretion with respect to any such entitlements.

22. Governing Law. This Agreement shall be construed in accordance with the laws of the State of California, and venue for any action initiated by a Party to interpret or enforce this Agreement shall lie exclusively in the state and federal courts in the County of Los Angeles.

23. Attorneys' Fees. Each Party shall be responsible for payment of its own attorneys' fees and expenses with respect to negotiation and preparation of this Agreement. In the event any action is brought to enforce or interpret any of the provisions of this Agreement, the prevailing

24. Amendments. This Agreement may not be altered, amended, changed, waived, terminated or modified in any respect or particular unless the same shall be in writing and signed by the Parties.

25. Implementation of Agreement. City shall maintain authority to implement this Agreement through the City Manager (or his or her designee). The City Manager shall have the authority to make approvals, waive provisions and/or enter into certain amendments of or implementing agreements for this Agreement on behalf of City so long as such actions do not materially or substantially change the substantive business terms of this Agreement, or add to the costs incurred or to be incurred by City as specified herein. All other material and/or substantive approvals, waivers, or amendments shall require the consideration, action and written consent of the City Council.

26. Real Estate Commissions. Each of the Parties represents and warrants to the other Party that no real estate commission, broker's fees, or finder's fees which may accrue by means of the acquisition of the Property is due to any person, firm or entity. City shall indemnify, protect, defend and hold harmless Developer from any loss, liability, damage, cost, claim or expense (including reasonable attorneys' fees) incurred by reason of any broker fee, commission or finder's fee that is payable or alleged to be payable to any broker or finder which results from any act or agreement of City. Developer shall indemnify, protect, defend and hold harmless City from any loss, liability, damage, cost, claim or expense (including reasonable attorneys' fees) incurred by reason of any broker fee, commission or finder's fee that is payable or alleged to be payable to any broker or finder which results from any act or agreement of Developer.

27. Conflict of Interest. No member, official or employee of City having any conflict of interest, direct or indirect, related to this Agreement shall participate in any decision relating to this Agreement. The Parties represent and warrant that they do not have knowledge of any such conflict of interest.

28. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but which when taken together shall constitute one and the same instrument. This Agreement may be executed by electronic transmission (in PDF form) or by electronic signature (such as DocuSign).

IN WITNESS WHEREOF, City and Developer have executed this Exclusive Negotiating Agreement as of the date first set forth above.

CITY:

CITY OF HAWTHORNE,
a municipal corporation

By: _____
Vontray Norris, City Manager

ATTEST:

Dayna S. Williams-Hunter, City Clerk

APPROVED AS TO FORM:

Robert Kim, City Attorney

ABODE COMMUNITIES:

ABODE COMMUNITIES,
a California nonprofit organization.

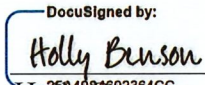
By:  _____
Holly Benson,
President and Chief Executive Officer

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

Real property located in the City of Hawthorne, County of Los Angeles, State of California, described as follows:

APN: 4051-030-902:

THE SOUTHERLY 24 FEET OF LOT 308 OF DIVISION "B" AND LOT 309 OF DIVISION "B", EXCEPT THE SOUTHERLY 20 FEET OF SAID LOT 309, BOTH OF TRACT NO. 874, IN THE CITY OF HAWTHORNE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 17, PAGES 110 AND 111 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

SAID DISCRIPTION IS MADE PURSUANT TO THAT CERTAIN LOT LINE ADJUSTMENT/CERTIFICATE OF COMPLIANCE RECORDED MAY 5, 2010 AS INSTRUMENT NO. 2010-643861 OF OFFICIAL RECORDS.

EXHIBIT "B"

WORKERS' COMPENSATION WAIVER

I, Holly Benson, on behalf of Developer, hereby, certify and acknowledge that Developer is aware of the workers' compensation laws of the State of California and that Developer currently has no employees who would be subject to the protection of the Workers Compensation Act. Furthermore, Developer agrees that, if at any time during the term of the Agreement, any employees are hired by Developer, that Developer will comply with the requirement of the workers' compensation laws. At that time, Developer will provide evidence of such coverage to the City of Hawthorne.

DocuSigned by:
By: Holly Benson Date: 6/10/2025
25A4984692364CC...
Title: President & CEO
Company: Abode Communities