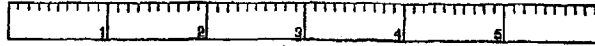


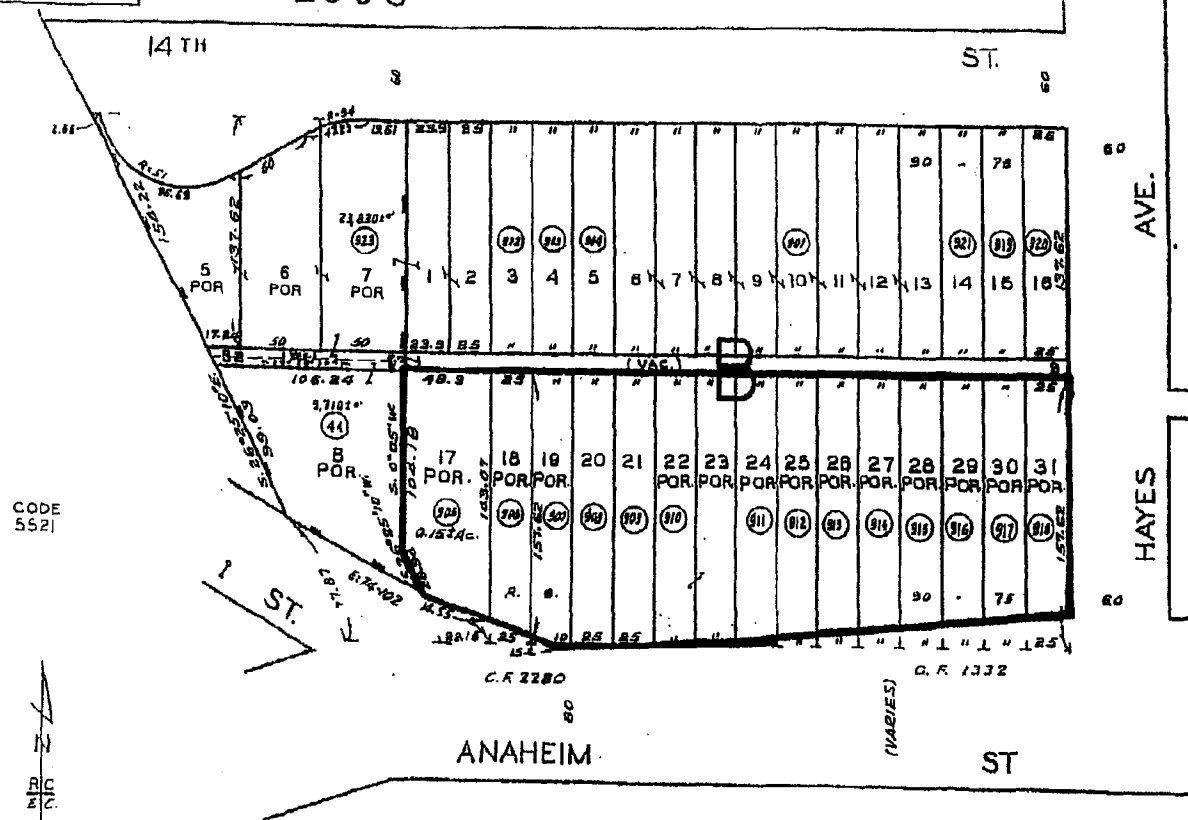
H-1



SCALE IN 1/10 OF AN INCH

7429 17
SCALE 1" = 80'

1998



71110607
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 718211
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 11070504033082
 87041306040008
 36016809033001-27
 26103110001001-22,27
 26103110001001-22,27
 26103110001001-22,27

Exhibit A

TRACT NO. 7347
M.B. 77-46

TRACT NO. 9138
M.B. 121-24-25

All 900 series parcels on this page are
 assumed to be The Redevelopment Agency of
 the City of Long Beach, unless otherwise
 noted.

SEP 11 1997

FOR PREV. ASSMT. SEE:
7429-11

ASSESSOR'S MAP
COUNTY OF LOS ANGELES, CALIF.

Exhibit B

FEE \$133.13



Categorical Exemption CE- 97 -04

NOTICE OF EXEMPTION

To: Office of Planning & Research
1400 Tenth street, Room 121
Sacramento, CA 95814

From: Department of Planning & Building
333 W. Ocean Blvd., 5th Floor
Long Beach, CA 90802

L. A. County Clerk
Environmental Filings
12400 E. Imperial Hwy. 2nd Floor, Rm. 2001
Norwalk, CA 90650

Project Title: JCDS Properties, LLC dba Sudduth Tire Company
Project Location - Specific: ~~2500~~²⁰⁰¹ W Anaheim (NW corner Anaheim & Hayes)
Project - City: Long Beach Project Location - County: Los Angeles
Activity Description: Merging of lots and development of a tire
and brake service shop and retreading plant
Name of Public Agency Approving Project: City of Long Beach Redevelopment Agency
Name of Person or Agency Carrying Out Project: Judith Von Klug
(Printed Name)
333 W Ocean Blvd, 3rd Floor, Long Beach 90802
(Mailing Address)
(562) 570-6063 Judith A Von Klug
(Telephone) (Signature)

LONG BEACH CITY PLANNING COMMISSION

The above project has been found to be exempt from CEQA in accordance with the State Guidelines Section

15332. In-fill Development Projects
Statement of Support for this finding: site location and proposed project meet the
criteria set forth in Section 15332.

Lead Agency
Contact Person: Jill Griffiths Area Code/Telephone: (562) 570-6191

Signature: Jill Griffiths Date: 5/6/04 Title: Environmental Planner

____ Signed by Lead Agency

____ Signed by Applicant

Exhibit C

**SUMMARY REPORT PURSUANT TO
SECTION 33433 OF THE
CALIFORNIA HEALTH AND SAFETY CODE
REGARDING A DISPOSITION AND DEVELOPMENT AGREEMENT
BY AND BETWEEN THE
REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH
AND
JCDS PROPERTIES, LLC**

I. INTRODUCTION

The California Health and Safety Code, Section 33433, provides that if a redevelopment agency wishes to sell or lease any property to which it holds title and if that property was acquired in whole or in part, directly or indirectly, with tax increment funds, the agency must first secure approval of the proposed sale or lease from its local legislative body (the City Council) by resolution after a public hearing. The following Summary Report (the "Report") documents the Disposition and Development Agreement (the "Agreement") by and between the Redevelopment Agency of the City of Long Beach (the "Agency") and the JCDS Properties, LLC doing business as Sudduth Tire Company (the "Developer") for Agency-owned property in the West Long Beach Industrial Project Area (the "Project Area").

As contained in the Health and Safety Code, the following information shall be included in the Report:

1. The cost of the proposed agreement to the agency, including land acquisition costs, site clearance costs, relocation costs, the costs of any improvements to be provided by the agency, plus the expected interest on any loans or bonds to finance the agreement;
2. The estimated value of the interest to be conveyed or leased, determined at the highest and best use permitted under the redevelopment plan;

3. The estimated value of the interest to be conveyed or leased determined at the use and with the conditions, covenants and development costs required by the sale or lease; and the purchase price or present value of the lease payments, which the lessor will be required to make during the term of the lease. If the sale price or total rental amount is less than the fair market value of the interest to be conveyed or leased, determined at the highest and best use consistent with the redevelopment plan, then the agency shall provide as part of the summary an explanation or the reasons for the difference; and
4. An explanation of why the sale or lease of the property will assist in the elimination of blight, with reference to all supporting facts and materials relied upon in making this explanation.

Section 33433 also requires a finding to be included in the resolution approving the sale or lease that the transaction is consistent with the implementation plan adopted pursuant to Section 33490 (the "AB 1290 Implementation Plan"). The basis for this finding with regard to the subject agreement is discussed at the close of this Report.

The Report outlines the salient parts of the Agreement which provides for the disposition and development of certain real property as depicted on the Site Map and as described in the Legal Description, attached hereto as Attachments "1" and "2." The Report is organized into the following seven sections:

1. Salient Points of the Agreement – This section includes a description of the property, the proposed utilization of the property, and a summary of the major responsibilities of the Agency and the Developer under the Agreement.
2. Cost of the Agreement to the Agency – This section outlines the cost of the proposed Agreement to the Agency.
3. Estimated Value of the Interest to be Conveyed – This section summarizes the value of the property to be conveyed to the Developer at the highest and best use permitted under the Redevelopment Plan.
4. Estimated Reuse Value of the Interest to be Conveyed – This section identifies the estimated reuse value of the interest to be conveyed, determined at the use and with the conditions, covenants and development costs required by the Agreement.
5. Purchase Price and Comparison with Fair Reuse Value – This section contains a comparison of the purchase price and the fair reuse value of the interest to be conveyed.

6. Blight Elimination – This section provides an explanation of how the implementation of the Agreement will assist in the elimination of blight within the Project Area.
7. Consistency with the Implementation Plan – This section describes how the Agreement is in conformance with the Agency's adopted AB 1290 Implementation Plan for the Project Area.

II. SALIENT POINTS OF THE AGREEMENT

A. Property Description

The property to be acquired by the Developer (the "Site") is that portion of the Project Area located at the Northwest corner of Anaheim Street and Hayes Avenue (see Site Map). The Site is currently owned by the Agency.

B. The Proposed Utilization of the Property

The Developer proposes to purchase the Site and construct a one- and two-story industrial/commercial building with offices, shop and storage facilities to accommodate and operate its tire and brake service and tire retreading business. This use is consistent with the goals of the Redevelopment Plan.

C. Major Responsibilities of the Developer

Under the Agreement, the Developer agrees to accept all of the following responsibilities:

1. The Developer will pay the Agency \$15.50 per square foot for the 58,688 square feet of land, for a total purchase price of \$909,664 for the Site;
2. The Developer will pay one-half of the escrow fee;
3. The Developer will pay for the Developer's share of the premium for the title insurance policy and recording fees as appropriate;
4. The Developer will comply with the Agency's Percent for Public Art requirements;
5. The Developer will secure necessary permits for all site work;

6. The Developer will utilize the Site in accordance with the Redevelopment Plan and all applicable City codes and regulations, including providing appropriate landscaping, screening, and parking;
7. The Developer agrees that the Site shall be maintained in a clean and attractive condition at all times and in accordance with Project Area guidelines and the Redevelopment Plan;
8. The Developer agrees that from tax years 2003 – 2004 through 2024 – 2025, the taxable assessed value to be used by the Los Angeles County Tax Assessor shall be the greater of (a) the existing taxable assessed value of the Acquisition Parcel as determined by the Assessor or (b) the sum of (i) the Purchase Price plus (ii) the value of the building(s) to be constructed pursuant to approved plans as determined by the Planning and Building Department for purposes of issuing building permits for the Project (the “Stipulated Value”); and
9. The Developer agrees to relocate sewers, drains, water and gas distribution lines, electric, telephone and telegraph lines, and all other public utility lines, installations, and facilities as are necessary to be installed or relocated outside the Site by reason of any development of the Site.

D. Major Responsibilities of the Agency

Under the Agreement, the Agency agrees to accept all of the following responsibilities:

1. The Agency will transfer the Site to the Developer in return for a payment of \$909,664;
2. The Agency will pay one-half of the escrow fee;
3. The Agency will pay the Agency’s share of the premium for the title insurance policy and recording fees as appropriate; and
4. The Agency will provide all proper assistance to the Developer in securing necessary permits for all site work.

III. **COST OF THE AGREEMENT TO THE AGENCY**

The Site is currently owned by the Agency. The Agency has undertaken activities required to prepare the Site for sale. Thus, the majority of the costs shown below have previously been incurred by the Agency. The only remaining out-of-pocket expenditures resulting from the Agreement are minor amounts of escrow fees, recording fees, and staff time.

The list of incurred and anticipated costs is outlined below. The total estimated cost of the Agreement to the Agency is \$934,638. When land sale proceeds and the present value of tax increment are taken into account, the revenues exceed the costs by \$325,666, as follows:

Property Acquisition Costs	\$859,388.00
Landscaping and Maintenance	5,000.00
Environmental Report (Site Characterization)	1,000.00
Escrow & Title Costs	2,250.00
Legal/Appraisal/Consulting Fees	7,000.00
Estimated Staff Time & Overhead	5,000.00
Site Clearance and Remediation	\$55,000.00
Estimated Total Agency Costs	\$934,638.00
Less: Land Sale Proceeds	<u>(\$909,664.00)</u>
Net Costs (Benefit) to Agency (before allowance for Tax Increment Revenues)	\$24,974.00
Less: Present Value of Tax Increment Revenue ¹	<u>(\$350,640.00)</u>
Net Cost (Benefit) to Agency	<u><u>(\$325,666.00)</u></u>

IV. ESTIMATED VALUE OF THE INTEREST TO BE CONVEYED AT THE HIGHEST AND BEST USE PERMITTED UNDER THE REDEVELOPMENT PLAN

The Redevelopment Plan for the Project Area and the City of Long Beach General Plan specify that the Site is zoned for general industrial use. Therefore, the Site may only be used for general industrial use.

The Agency periodically updates land sale comparables within the Project Area. A review of these comparables and discussions with the Agency's appraiser indicates that, based on current valuation trends within the Project Area and the current condition of the Southern California economy, the fair market value of the Site is \$15.50 per square foot for land, or \$909,664.

¹ Based on estimated increase in assessed value of \$2,709,664 .00 at a 6% discount rate over 21 years (includes housing set-aside)

V. ESTIMATED REUSE VALUE OF THE INTEREST TO BE CONVEYED DETERMINED BASED ON THE USE AND WITH THE CONDITIONS, COVENANTS AND DEVELOPMENT COSTS REQUIRED BY THE AGREEMENT

Because the conditions, covenants and development costs required by the Agreement do not add any unique restrictions on the reuse of the Site, the future reuse alternatives are not limited by the Agreement. Based upon the Agency's determination as summarized above, the reuse value of the Acquisition Parcel is determined to be \$15.50 per square foot for land, or \$909,664.

VI. PURCHASE PRICE TO BE PAID BY THE DEVELOPER AND COMPARISON WITH FAIR REUSE MARKET VALUE

The Site will be sold to the Developer for \$909,664. This selling price reflects the Site's fair market value as determined by the Agency's appraiser. This amount is equal to both the established fair reuse value and the highest use allowed by the Redevelopment Plan.

VI. BLIGHT ELIMINATION

Section 33030 of Article 3 of California Health and Safety Code states that a blighted area is one in which the combination of blighting conditions identified in Article 3 are so prevalent and so substantial that it causes a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical and economic burden on the community which cannot reasonably be expected to be reversed or alleviated by private enterprise, or governmental action, or both, without redevelopment.

Physical blighting conditions, as defined in Section 33031 of Article 3 include, but are not limited to factors that prevent or substantially hinder the economically viable use or capacity of buildings or lot. Furthermore, economic blighting conditions as identified in Section 33031 of Article 3 include, but are not limited to, depreciated or stagnant property values and impaired investments, including properties containing hazardous wastes.

Prior to acquisition by the Agency, the Site exemplified the primary physical and economic blighting conditions found throughout the Project Area. The proposed sale of the Site will eliminate blighting conditions in the Project Area by effectuating the purpose of the Redevelopment Plan.

VIII. CONFORMITY TO AB 1290 IMPLEMENTATION PLAN

The AB 1290 Implementation Plan adopted by the Agency contains the following operational goals and objectives:

- The development of vacant parcels into modern industrial uses appropriate to the goals of the Redevelopment Plan;
- The creation of a healthy industrial environment and a significant increase in job opportunities in the Project Area;
- The promotion of maximum retention of existing industries and employment in the Project Area;
- The generation of new private investments and increased land values, resulting in increased tax increment revenues;
- The installation and upgrading of street improvements throughout the Project Area to correct drainage, reconfigure street patterns, extend utilities, and provide key amenity features;
- The selective widening and improvement of some streets to relieve congestion and parking problems, supplemented by off-street parking requirements or parking districts; and
- The assessment of opportunities for assemblage of parcels for small and medium sized industrial buildings.

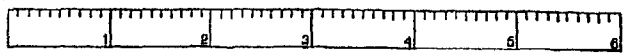
The Agreement will assist the Agency in meeting the objectives and goals of the AB 1290 Implementation Plan in the following manner:

- The Agreement provides for development of the parcels for privately-owned industrial uses consistent with the Business and Land Development Program of the Implementation Plan;
- The Agreement will place a publicly owned property into private ownership, will generate additional property tax revenue for reinvestment, and will transfer site maintenance costs to a private property owner;
- The Agreement will generate new private investment and increased land values within the Project Area;

- The Agreement will help relieve parking congestion by supplementing off-street parking;
- The Agreement provides for promotion and attraction of a new business; and
- The Agreement provides opportunities for expanded economic activity.

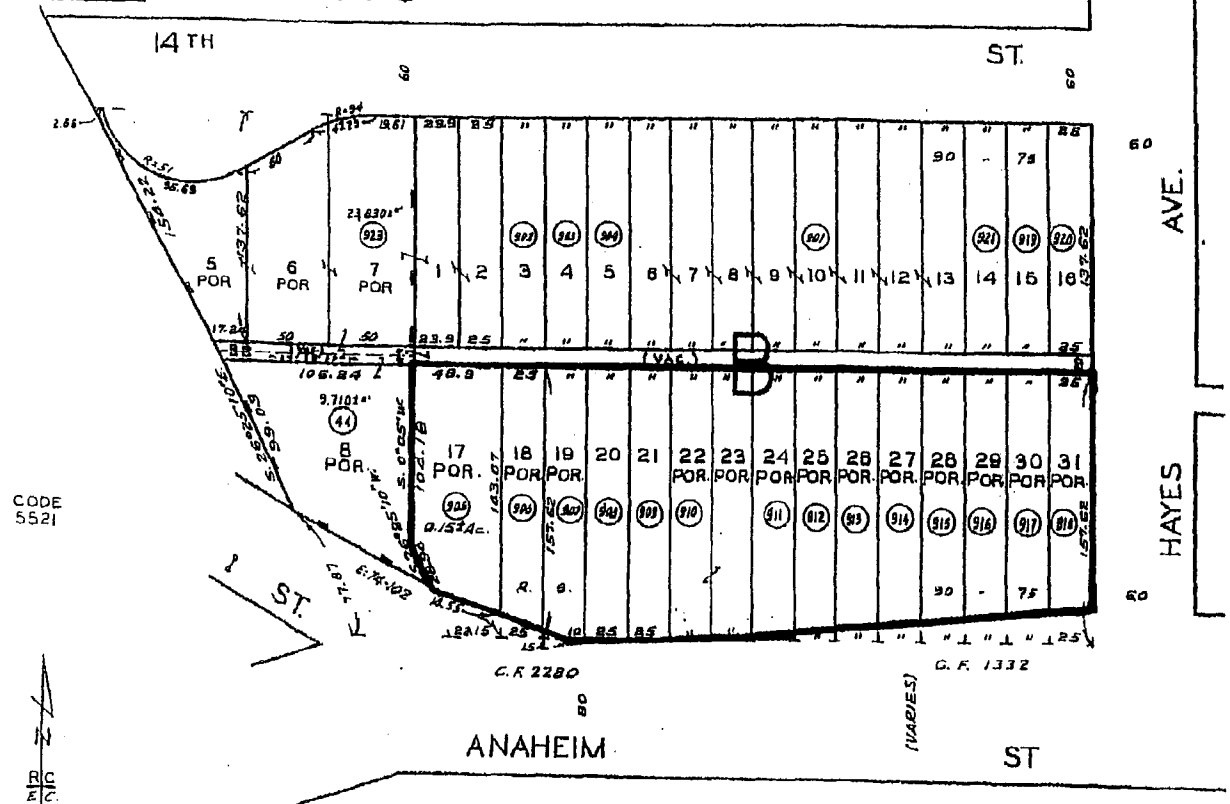
Based on the preceding factors, the Agreement is consistent with the adopted AB 1290 Implementation Plan.

7429 17
SCALE 1" = 60'

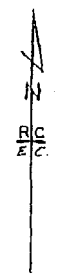


SCALE 1/10 OF AN INCH

1998



CODE 5521



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Attachment 1

TRACT NO. 7347
M.B. 77-46

TRACT NO. 9138
M.B. 121-24-25

All 800 series parcels on this page are assessed to The Redevelopment Agency of the City of Long Beach, unless otherwise noted.

SEP 11 1997

FOR PREV. ASSEM'T. SEE:
7429 - 11

ASSESSOR'S MAP
COUNTY OF LOS ANGELES, CALIF.

Attachment 2

LEGAL DESCRIPTION OF THE SITE

APN: 7429-017-905 through -918

The land referred to herein is situated in the State of California, County of Los Angeles, described as follows:

PARCEL 1: (7429-017-905, 906, 907, 908)

LOTS 17, 18, 19 20 IN BLOCK "B" OF TRACT NO. 7347, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 77 PAGE 46 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT FROM LOT 17, THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY CORNER OF SAID LOT 17; THENCE NORTHERLY ALONG THE EASTERLY LINE OF SAID LOT A DISTANCE OF 14.55 FEET; THENCE NORTHWESTERLY IN A DIRECT LINE TO A POINT IN THAT CERTAIN COURSE IN THE WESTERLY BOUNDARY OF SAID LOT 17 SHOWN AS HAVING A LENGTH OF 59.954 FEET ON SAID MAP, DISTANT THEREON 31 FEET NORTHERLY FROM THE SOUTHERLY TERMINUS OF SAID CERTAIN COURSE, THENCE SOUTHERLY ALONG SAID COURSE, 31 FEET TO SAID SOUTHERLY TERMINUS; THENCE EASTERLY ALONG THE SOUTHERLY LINE OF SAID LOT, A DISTANCE OF 22.15 FEET, MORE OR LESS TO THE POINT OF BEGINNING.

ALSO EXCEPT FROM LOTS 18 AND 19, THAT PORTION, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWESTERLY CORNER OF SAID LOT 18; THENCE NORTHERLY ALONG THE WESTERLY LINE OF SAID LOT 17 A DISTANCE OF 14.55 FEET; THENCE SOUTHEASTERLY ALONG A DIRECT LINE TO A POINT IN THE SOUTHERLY LINE OF SAID LOT 19 DISTANT THEREON 15 FEET EASTERLY FROM THE SOUTHWESTERLY CORNER OF SAID LOT 19; THENCE WESTERLY ALONG THE SOUTHERLY LINE OF SAID LOTS 19 AND 18 A DISTANCE OF 40 FEET TO THE POINT OF BEGINNING.

EXCEPT ALL OIL, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH, AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID LAND BUT WITHOUT, HOWEVER, THE

RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER.

PARCEL 2: (7429-017-909)

LOT 21, IN BLOCK "B" OF TRACT NO. 7347, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 77 PAGE 46 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL OIL, GAS MINERAL HYDROCARBON AND OTHER KINDRED SUBSTANCES FOUND LYING IN OR UNDER SAID LAND, WHICH MINERAL RIGHTS SHALL REVERT TO THE RECORD OWNER UPON THE TERMINATION OF THE EXISTING LEASE WITH THE RICHFIELD OIL COMPANY, AS RESERVED BY WILLIAM T. HATFIELD AND GWEN L. HATFIELD, HUSBAND AND WIFE, IN DEED RECORDED AUGUST 15, 1946 IN BOOK 23533 PAGE 358, OFFICIAL RECORDS.

BY AN INSTRUMENT DATED AUGUST 9, 1960 AND EXECUTED BY RICHFIELD OIL COMPANY, A DELAWARE CORPORATION AND RECORDED AUGUST 17, 1960 IN BOOK D947 PAGE 823, OFFICIAL RECORDS, SAID RICHFIELD OIL COMPANY DOES HEREBY QUITCLAIM ALL RIGHTS ACQUIRED BY THEM UNDER SAID LEASE INsofar AND ONLY INsofar AS IT AFFECTS THE SUBSURFACE ONLY AND TO A DEPTH OF 100 FEET BELOW THE SURFACE OF SAID LAND.

PARCEL 3: (7429-017-910)

LOTS 22 AND 23 IN BLOCK "B" OF TRACT NO. 7347, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 77 PAGE 46 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THAT PORTION OF SAID LAND DESCRIBED IN THE FINAL DECREE OF CONDEMNATION RECORDED ON FEBRUARY 14, 1929 AS INSTRUMENT NO. 1403 IN BOOK 7432 PAGE 179, OFFICIAL RECORDS.

EXCEPT ALL RIGHT, TITLE AND INTEREST IN AND TO THE OIL, OIL RIGHTS MINERALS, MINERAL RIGHTS, NATURAL GAS, GAS RIGHTS AND OTHER HYDROCARBON SUBSTANCES LYING 500 FEET BELOW THE SURFACE OF SAID LAND, BUT WITHOUT THE RIGHT TO USE THE SURFACE OF THE LAND TO REMOVE, DRILL OR PROSPECT FOR SAME BY ALL RIGHTS UNDER THE COMMUNITY OIL GAS LEASE NOW OF RECORD, AS RESERVED BY W.C. PACKWOOD BY DEED RECORDED JANUARY 10, 1979 AS INSTRUMENT NO. 9-35829, OFFICIAL RECORDS.

PARCEL 4: (7429-017-911 & 912)

LOTS 24 AND 25 IN BLOCK "B" OF TRACT NO. 7347, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 77 PAGE 46 OF MAPS, IN THE: OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM, ALL OIL, GAS, HYDROCARBON AND/OR ASSOCIATED SUBSTANCES IN OR UNDER SAID LAND BELOW DEPTH OF 500 FEET FROM THE SURFACE THEREOF, BUT WITH NO RIGHT TO ENTER UPON THE SURFACE THEREOF OR THE TOP 500 FEET OF THE SUBSURFACE OF SAID LAND, AS EXCEPTED IN DEED RECORDED APRIL 8, 1976 AS INSTRUMENT NO. 2943, OFFICIAL RECORDS.

EXCEPT ALL OIL, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH, AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID LANDS BUT WITHOUT, HOWEVER, THE RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER.

PARCEL 5: (7429-017-913, 914, 915, 916, 917, 918)

LOTS .26, 27, 28, 29, 30 AND 31 IN BLOCK "B" OF TRACT NO. 7347, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF: CALIFORNIA, AS PER MAP RECORDED IN BOOK 77 PAGE 46 OF MAPS, IN THE: OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL OIL, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH, AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID LANDS BUT WITHOUT, HOWEVER, THE RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER.

End of Legal Description.

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

1 RESOLUTION NO. C-

2
3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH APPROVING THE PROPOSED
5 DISPOSITION AND DEVELOPMENT AGREEMENT
6 BETWEEN THE REDEVELOPMENT AGENCY OF THE
7 CITY OF LONG BEACH, CALIFORNIA, AND JCDS
8 PROPERTIES, LLC; FINDING THAT THE
9 CONSIDERATION FOR THE SALE OF CERTAIN REAL
10 PROPERTY IN THE WEST LONG BEACH INDUSTRIAL
11 REDEVELOPMENT PROJECT IS NOT LESS THAN FAIR
12 MARKET VALUE IN ACCORDANCE WITH COVENANTS
13 AND CONDITIONS GOVERNING SUCH SALE; AND
14 APPROVING THE SALE OF THE PROPERTY AND THE
15 DISPOSITION AND DEVELOPMENT AGREEMENT
16

17 WHEREAS, the Redevelopment Agency of the City of Long Beach,
18 California (the "Agency"), is engaged in activities necessary to execute and implement
19 the Redevelopment Plan for the West Long Beach Industrial Redevelopment Project
20 (the "Project"); and

21 WHEREAS, in order to implement the Redevelopment Plan, the Agency
22 proposes to sell certain real property (the "Property") in the Project pursuant to the
23 terms and provisions of the Disposition and Development Agreement and which
24 Property is described in Exhibit "A" which is attached and incorporated by reference;
25 and

26 WHEREAS, JCDS Properties, LLC (the "Developer"), has submitted to
27 the Agency a written offer in the form of a Disposition and Development Agreement to
28 purchase the Property for not less than fair market value for uses in accordance with

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

1 the Redevelopment Plan and the covenants and conditions of the Disposition and
2 Development Agreement; and

3 WHEREAS, the proposed Disposition and Development Agreement
4 contains all the provisions, terms and conditions and obligations required by Federal,
5 State and local law; and

6 WHEREAS, Developer possesses the qualifications and financial
7 resources necessary to acquire and insure development of the Property in accordance
8 with the purposes and objectives of the Redevelopment Plan; and

9 WHEREAS, the Agency has prepared a summary setting forth the cost of
10 the Disposition and Development Agreement to the Agency, the estimated value of the
11 interest to be conveyed, determined at the highest uses permitted under the Redevel-
12 opment Plan and the purchase price and has made the summary available for public
13 inspection in accordance with the California Redevelopment Law; and

14 WHEREAS, the Agency has determined that the development of the
15 Property is categorically exempt under the California Environmental Quality Act; and

16 WHEREAS, pursuant to the provisions of the California Community
17 Redevelopment Law, the City Council of the City of Long Beach held a public hearing
18 on the proposed sale of the Property and the proposed Disposition and Development
19 Agreement after publication of notice as required by law; and

20 WHEREAS, the City Council has duly considered all terms and conditions
21 of the proposed sale and believes that the redevelopment of the Property pursuant to
22 the proposed Disposition and Development Agreement is in the best interests of the
23 City and the health, safety, morals and welfare of its residents and in accord with the
24 public purposes and provisions of applicable Federal, State and local law.

25 NOW, THEREFORE, the City Council of the City of Long Beach resolves
26 as follows:

27 Section 1. The City Council finds and determines that the consideration
28 for sale of the Property pursuant to the Disposition and Development Agreement is not

Exhibit A

LEGAL DESCRIPTION OF THE SITE

APN: 7429-017-905 through -918

The land referred to herein is situated in the State of California, County of Los Angeles, described as follows:

PARCEL 1: (7429-017-905, 906, 907, 908)

LOTS 17, 18, 19 20 IN BLOCK "B" OF TRACT NO. 7347, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 77 PAGE 46 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT FROM LOT 17, THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY CORNER OF SAID LOT 17; THENCE NORTHERLY ALONG THE EASTERLY LINE OF SAID LOT A DISTANCE OF 14.55 FEET; THENCE NORTHWESTERLY IN A DIRECT LINE TO A POINT IN THAT CERTAIN COURSE IN THE WESTERLY BOUNDARY OF SAID LOT 17 SHOWN AS HAVING A LENGTH OF 59.954 FEET ON SAID MAP, DISTANT THEREON 31 FEET NORTHERLY FROM THE SOUTHERLY TERMINUS OF SAID CERTAIN COURSE, THENCE SOUTHERLY ALONG SAID COURSE, 31 FEET TO SAID SOUTHERLY TERMINUS; THENCE EASTERLY ALONG THE SOUTHERLY LINE OF SAID LOT, A DISTANCE OF 22.15 FEET, MORE OR LESS TO THE POINT OF BEGINNING.

ALSO EXCEPT FROM LOTS 18 AND 19, THAT PORTION, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWESTERLY CORNER OF SAID LOT 18; THENCE NORTHERLY ALONG THE WESTERLY LINE OF SAID LOT 17 A DISTANCE OF 14.55 FEET; THENCE SOUTHEASTERLY ALONG A DIRECT LINE TO A POINT IN THE SOUTHERLY LINE OF SAID LOT 19 DISTANT THEREON 15 FEET EASTERLY FROM THE SOUTHWESTERLY CORNER OF SAID LOT 19; THENCE WESTERLY ALONG THE SOUTHERLY LINE OF SAID LOTS 19 AND 18 A DISTANCE OF 40 FEET TO THE POINT OF BEGINNING.

EXCEPT ALL OIL, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH, AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID LAND BUT WITHOUT, HOWEVER, THE

RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER.

PARCEL 2: (7429-017-909)

LOT 21, IN BLOCK "B" OF TRACT NO. 7347, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 77 PAGE 46 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL OIL, GAS MINERAL HYDROCARBON AND OTHER KINDRED SUBSTANCES FOUND LYING IN OR UNDER SAID LAND, WHICH MINERAL RIGHTS SHALL REVERT TO THE RECORD OWNER UPON THE TERMINATION OF THE EXISTING LEASE WITH THE RICHFIELD OIL COMPANY, AS RESERVED BY WILLIAM T. HATFIELD AND GWEN L. HATFIELD, HUSBAND AND WIFE, IN DEED RECORDED AUGUST 15, 1946 IN BOOK 23533 PAGE 358, OFFICIAL RECORDS.

BY AN INSTRUMENT DATED AUGUST 9, 1960 AND EXECUTED BY RICHFIELD OIL COMPANY, A DELAWARE CORPORATION AND RECORDED AUGUST 17, 1960 IN BOOK D947 PAGE 823, OFFICIAL RECORDS, SAID RICHFIELD OIL COMPANY DOES HEREBY QUITCLAIM ALL RIGHTS ACQUIRED BY THEM UNDER SAID LEASE INsofar AND ONLY INsofar AS IT AFFECTS THE SUBSURFACE ONLY AND TO A DEPTH OF 100 FEET BELOW THE SURFACE OF SAID LAND.

PARCEL 3: (7429-017-910)

LOTS 22 AND 23 IN BLOCK "B" OF TRACT NO. 7347, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 77 PAGE 46 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THAT PORTION OF SAID LAND DESCRIBED IN THE FINAL DECREE OF CONDEMNATION RECORDED ON FEBRUARY 14, 1929 AS INSTRUMENT NO. 1403 IN BOOK 7432 PAGE 179, OFFICIAL RECORDS.

EXCEPT ALL RIGHT, TITLE AND INTEREST IN AND TO THE OIL, OIL RIGHTS MINERALS, MINERAL RIGHTS, NATURAL GAS, GAS RIGHTS AND OTHER HYDROCARBON SUBSTANCES LYING 500 FEET BELOW THE SURFACE OF SAID LAND, BUT WITHOUT THE RIGHT TO USE THE SURFACE OF THE LAND TO REMOVE, DRILL OR PROSPECT FOR SAME BY ALL RIGHTS UNDER THE COMMUNITY OIL GAS LEASE NOW OF RECORD, AS RESERVED BY W.C. PACKWOOD BY DEED RECORDED JANUARY 10, 1979 AS INSTRUMENT NO. 9-35829, OFFICIAL RECORDS.

PARCEL 4: (7429-017-911 & 912)

LOTS 24 AND 25 IN BLOCK "B" OF TRACT NO. 7347, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 77 PAGE 46 OF MAPS, IN THE: OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM, ALL OIL, GAS, HYDROCARBON AND/OR ASSOCIATED SUBSTANCES IN OR UNDER SAID LAND BELOW DEPTH OF 500 FEET FROM THE SURFACE THEREOF, BUT WITH NO RIGHT TO ENTER UPON THE SURFACE THEREOF OR THE TOP 500 FEET OF THE SUBSURFACE OF SAID LAND, AS EXCEPTED IN DEED RECORDED APRIL 8, 1976 AS INSTRUMENT NO. 2943, OFFICIAL RECORDS.

EXCEPT ALL OIL, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH, AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID LANDS BUT WITHOUT, HOWEVER, THE RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER.

PARCEL 5: (7429-017-913, 914, 915, 916, 917, 918)

LOTS .26, 27, 28, 29, 30 AND 31 IN BLOCK "B" OF TRACT NO. 7347, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF: CALIFORNIA, AS PER MAP RECORDED IN BOOK 77 PAGE 46 OF MAPS, IN THE: OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL OIL, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH, AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID LANDS BUT WITHOUT, HOWEVER, THE RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER.

End of Legal Description.