

SUMMARY OF KEY TERMS AND CONDITIONS
OF
JOINT DEVELOPMENT AGREEMENT AND GROUND LEASE
FOR
THE CHAVEZ GARDENS JOINT DEVELOPMENT SITE
(DATED: _____, 2024)

*This non-binding Summary of Key Terms and Conditions (“**Term Sheet**”) outlines the proposed key terms and conditions of a development transaction by and between the Los Angeles County Metropolitan Transportation Authority and Developer (defined below) with respect to certain real property described in this Term Sheet. LACMTA and Developer previously entered into that certain Exclusive Negotiation Agreement and Planning Document dated March 1, 2018, as amended (the “**ENA**”). LACMTA and Developer now intend to negotiate, based on this Term Sheet, a set of legally-binding agreements to carry out the development transaction, which agreements will include (a) a joint development agreement between LACMTA and Developer (a “**JDA**”), (b) a ground lease between LACMTA and Developer or an affiliate of Developer (a “**Ground Lease**”), and (c) such other agreements as are necessary or convenient to carry out the intent of the terms outlined in this Term Sheet.*

GENERAL DESCRIPTION

- 1.1 DEVELOPER:** Chavez Fickett L.P. (“**Developer**”), a California Limited Partnership, which is a development entity controlled by Abode Communities and was created for purposes of owning, developing, and operating the Chavez Gardens Project.
- 1.2 DEVELOPMENT SITE:** The Los Angeles County Metropolitan Transportation Authority (“**LACMTA**”) is the fee owner of approximately 68,069¹ square feet of real property situated in the City of Los Angeles and depicted on Exhibit A (the “**LACMTA Property**”). The LACMTA Property is bifurcated by a public alley running north-south creating two subareas for development. The area east of the alley will be referred to as “Parcel A” and the area west of the alley will be referred to as “Parcel B”. It is the intent of the Developer to treat both Parcel A and Parcel B as one project. The proposed development site (the “**Site**”) comprises the entirety of the LACMTA Property.
- 1.3 PROPOSED PROJECT:** Chavez Gardens, the proposed development project (the “**Project**”) will be constructed on the Site by Developer at

¹ As calculated from information provided on that certain ALTA/NSPS Land Title and Design Survey of the Site prepared by Psomas, dated June 19, 2018, and included as part of the Conceptual Plans.

Developer's sole cost and expense in accordance with the plans and specifications generally known as the Joint Development Agreement Package (the "**JDA Package**"), dated October 25, 2023, as detailed and referenced in Exhibit B (the "**JDA Package Plans**"), as such JDA Package Plans logically evolves and is modified and revised as set forth herein. The Project is currently anticipated to include, without limitation, one hundred nine (109) affordable rental apartments restricted to households earning no more than 60% of the LA County Area Median Income (the "**Affordable Units**") and one (1) unrestricted property manager's apartment, 3,000 square feet of retail space, 44 residential parking spaces and 6 commercial parking spaces along with a 3,500 sq, ft, community garden. The site plan and renderings for the currently proposed Project are attached in Exhibit C. Although Developer will endeavor to secure financing for Project as described in this Term Sheet, certain aspects of the Project, including affordability levels of the rental apartments, may be modified if required by the funding sources ultimately secured.

1.4 PHASED DEVELOPMENT: The Project will be constructed in a single phase.

GENERAL CONDITIONS

2.1 DEDICATIONS:

LACMTA will consider any dedications and grants of LACMTA real property rights to the City of Los Angeles or other public or quasi-public entities as are reasonably required by the City of Los Angeles or such other public or quasi-public entities and are necessary to support the development, construction, and operation of the Project, subject to acceptable compensation to LACMTA. Developer has informed LACMTA that, as of the date of this Term Sheet: (a) the City of Los Angeles may require that dedications be made for public right-of-way purposes at the northeast and northwest corners of Parcel A; (b) the subject dedications will be either 15 foot by 15 foot corner cuts or 20 foot curved radius corners; and (c) Developer does not know of any other dedications that will be required for purposes of the Project. Subject to LACMTA Board approval, LACMTA does not take exception to the subject dedications provided that LACMTA receives the full amount of Capitalized Rent under the Ground Lease in the manner specified in the Capitalized Rent section of this Term Sheet, which payment shall be deemed acceptable compensation to LACMTA for such dedications. Dedications and grants approved by LACMTA shall be referred to herein as ("**Dedications**").

**2.2 FEDERAL TRANSIT
ADMINISTRATION, STATE
AND LOCAL FUNDING
SOURCE APPROVAL:**

The parcels comprising the Site were acquired by LACMTA using Federal Transit Administration (“FTA”) funds. Therefore, the construction and operation of the Project, and the Ground Lease transaction, Dedications and other development-related matters contemplated in this Term Sheet are subject to: (a) applicable FTA and bond holder approval/concurrence, and (b) LACMTA confirmation that such actions will not violate any bond funding related requirements or restrictions imposed on LACMTA or the LACMTA Property, (collectively, the “**Funding Approvals**”). Prior to any LACMTA Board Action regarding the JDA or Ground Lease, LACMTA shall have received approval of the terms and conditions set forth herein and in the Ground Lease by the appropriate funding agency(ies) that participated in LACMTA’s original acquisition of the Premises.

**2.3 DEVELOPMENT
ENTITLEMENTS AND OTHER
LEGAL REQUIREMENTS:**

Intentionally Omitted.

2.4 AS-IS CONDITION:

Developer acknowledges and agrees that it shall accept the Site “as is,” solely in reliance upon Developer’s own investigation, inspection and research, and that no representations or warranties of any kind whatsoever, express or implied, have been made by LACMTA. Any information provided or disclosure made by LACMTA to Developer shall not constitute a representation or warranty regarding the condition or title to the Site. Furthermore, Developer shall assume the cost and expense for the removal of any contaminated materials, toxic or hazardous substances, and asbestos on the Site.

2.5 SITE REMEDIATION:

Developer shall perform any required remediation or abatement deemed necessary in accordance with environmental and soils studies to be performed, if any.

KEY JOINT DEVELOPMENT AGREEMENT (“JDA”) TERMS:

3.1 JDA - GENERALLY:

After (i) the LACMTA Board has approved and Developer has accepted this Term Sheet, (ii) Developer has met all CEQA requirements for the Project (as further described below in the Closing Conditions), and (iii) the LACMTA Board has made the

requisite findings as a responsible agency pursuant to the CEQA requirements for the Project, then LACMTA and Developer will enter into a Joint Development Agreement ("**JDA**") containing terms and conditions that are substantially consistent with those set forth in this Term Sheet, subject to any modifications as directed by the LACMTA Board. The JDA will address matters between Developer and LACMTA regarding the Project and the Site during the JDA Term (defined in Section 3.3).

3.2 ESCROW:

Within fifteen (15) days after the JDA Effective Date (as defined in Section 3.3), Developer and LACMTA shall enter into an escrow ("**Escrow**") with Commonwealth Land Title ("**Escrow Holder**") for the Ground Lease transaction contemplated in the JDA.

3.3 JDA TERM:

The JDA shall be effective upon execution by LACMTA and Developer (the "**JDA Effective Date**") and will expire on the date that is eighteen (18) months thereafter (the "**JDA Initial Term**" and, as may be extended pursuant to this Section 3.3, the "**JDA Term**"). Notwithstanding the foregoing, provided that Developer is working in good faith to meet the Closing Conditions (as defined below) but is unable to satisfy all of the Closing Conditions due to a delay beyond the control of Developer, then upon receipt of a written request by Developer, LACMTA may, extend the JDA Initial Term for a period of an additional twelve (12) months. During the JDA Term, LACMTA and Developer shall endeavor to close Escrow (the "**Closing**"), subject to satisfaction or waiver of certain conditions precedent to execution of the Ground Lease, as set forth in the JDA (the "**Closing Conditions**"). Notwithstanding the foregoing, LACMTA shall have the right to terminate the JDA for defaults that will be detailed in the JDA, subject to applicable notice and cure periods.

**3.4 JDA CONSIDERATION/
HOLDING RENT:**

As consideration for the rights granted to Developer during the JDA Term, commencing with the JDA Effective Date and continuing throughout the JDA Term, Developer shall pay to LACMTA, in advance on a monthly basis, in immediately available funds, nonrefundable holding rent in the amount of \$1,980 (the "**Holding Rent**"). The Holding Rent is based on 1/12th of the discounted value of 0.25% of \$9,500,000, which is the appraised fair market value of the fee simple value of the Site (as determined in that certain appraisal dated August 23, 2023, performed by Cushman & Wakefield). The Holding Rent shall be nonrefundable but shall be applied at Closing as a credit to the Capitalized Rent

due under the Ground Lease, in the event the Ground Lease is executed by the parties.

3.5 CONDITIONS TO CLOSING: The Closing Conditions will require, among other things:

- (a) Developer has provided LACMTA assurances that Developer has the legal capacity to develop the Project through delivery of organizational documents and other proof reasonably requested by LACMTA;
- (b) Developer has delivered to LACMTA evidence and assurances demonstrating that Developer has the financial resources in place to design, construct and operate the Project, including financing, and that such resources are fully committed without reservation to the reasonable satisfaction of LACMTA;
- (c) all necessary CEQA Review for the Project has occurred and all related CEQA approvals, findings, determinations, and certifications have been made by the applicable governmental authorities, and all applicable statutes of limitation have run without a lawsuit having been timely filed (but if so filed, then final adjudication or dismissal with prejudice of such lawsuit has occurred, upholding the approvals, findings, determinations, and certifications);
- (d) Developer has applied for and received all governmental approvals necessary (including all LACMTA and City of Los Angeles approvals and entitlements) for the development, construction, and operation of the Project);
- (e) LACMTA has approved the final (100%) construction plans for the Project and any other design or technical documents necessary for the construction of the Project (the “**Approved Construction Documents**”);
- (f) Developer has received a “ready to issue” letter from the City of Los Angeles for all building permits necessary for the construction of the Project in accordance with the Approved Construction Documents and any changes to the Approved Construction Documents that appear in the “ready to

issue” plans for the Project will be subject to LACMTA review and approval in accordance with LACMTA’s design review rights under the JDA;

- (g) Developer has executed and delivered all Closing Documents to Escrow;
- (h) Developer has provided LACMTA with Payment and Performance Bonds and a Completion Guaranty from Abode Communities guaranteeing and securing completion of the Project, each in a form satisfactory to LACMTA;
- (i) All Funding Approvals have been received;
- (j) LACMTA has approved (with or without conditions) Developer’s construction work plan;
- (k) Developer shall have provided LACMTA evidence satisfactory to LACMTA in its reasonable discretion that, during construction of the initial improvements, Developer will comply with a project labor agreement in compliance with LACMTA policies.

3.6 DESIGN

REVIEW/SEQUENCE:

During the JDA Term and the Construction Period (defined below) under the Ground Lease, LACMTA shall have the right to review and approve the design of the Project, including: any design elements of the Project that affect (a) the operations of LACMTA, (b) LACMTA’s exercise of its Retained Rights (defined below), and (c) public health and safety (collectively, the “**LACMTA Development-Related Concerns**”). LACMTA’s approval of Project plans that **are not** related to LACMTA Development-Related Concerns will be at LACMTA’s reasonable discretion, except to the extent that the design of the Project depicted, described and specified on such plans does not represent a logical evolution of the design depicted, described and specified on plans approved by LACMTA at the preceding level of design development (a “**Logical Evolution**”). Approval of Project’s plans that **are** related to LACMTA Development-Related Concerns or **are not** a Logical Evolution will be at LACMTA’s sole and absolute discretion. LACMTA’s design approval rights as set forth herein are, in part, intended to ensure that the Project meets LACMTA’s Satisfactory Continuing Control Requirement (as defined in the

Retained Rights subsection of the Ground Lease – Other Terms and Conditions section of this Term Sheet).

Except as otherwise approved in writing by LACMTA, Developer shall not proceed with preparation of the Project's Final Construction Documents until it has received LACMTA's written approval of the Project's Design Development Drawings and Schematic Design Drawings.

3.7 JDA/GROUND LEASE

CLOSING:

The Closing will occur when Developer and LACMTA have entered into the Ground Lease and other transaction documents necessary to complete the Closing as contemplated in the JDA (the "**Closing Documents**") after the Closing Conditions have been satisfied or waived by the applicable party. The JDA will contemplate a single Closing. At Closing, LACMTA will lease the Premises (defined in Section 4.4) to Developer, subject to the Retained Rights (defined below), in exchange for the payment of the Capitalized Rent and initial Fee to be paid under the Ground Lease. The Closing Documents, including, without limitation, the Ground Lease, will be executed by the parties as is necessary to properly effectuate the Closing.

3.8 TRANSFERS, ASSIGNMENT

AND SUBLETTING:

Except as otherwise approved in writing by LACMTA in its sole and absolute discretion, Developer shall not transfer or assign its rights or obligations under the JDA or any portion thereof.

3.9 FINANCING:

Developer shall notify LACMTA of any applications for financing that will be submitted and provide adequate time for LACMTA to secure all necessary approvals (no less than 4 months prior).

KEY GROUND LEASE TERMS:

4.1 GROUND LESSEE:

Chavez Fickett, L.P. ("**Ground Lessee**"), a California Limited Partnership, which is a development entity controlled by Abode Communities and was created for purposes of owning, developing, and operating the Project.

4.2 GROUND LEASE – GENERALLY:

At Closing, LACMTA, as ground lessor, and Ground Lessee, as ground lessee, will enter into a ground lease (the "**Ground Lease**"), which will provide for the construction and operation of

the Project on the Premises (defined below). The Ground Lease will contain terms and conditions that are substantially consistent with those set forth in this Term Sheet, subject to any modifications as directed by the LACMTA Board.

4.3 UNSUBORDINATED

GROUND LEASE:

Neither LACMTA's interest in the LACMTA Property nor its rights under the Ground Lease (including the FTA's interest as a provider of funds for the Site's initial acquisition) nor LACMTA's Satisfactory Continuing Control Requirement (as defined in the *Retained Rights* subsection of the *Ground Lease – Other Terms and Conditions* section of this Term Sheet) shall be subordinated to any interest that Ground Lessee or its lenders or investors will have in the Premises.

4.4 GROUND LEASE

PREMISES:

The premises under the Ground Lease (the "**Premises**") will consist of the Site, less any Dedications.

4.5 GROUND LEASE TERM:

The Ground Lease shall commence on the date of the Closing in accordance with the terms of the JDA (such date being the "**Commencement Date**"). The term of the Ground Lease will be seventy-five (75) years (the "**Ground Lease Term**"), expiring on the day prior to that anniversary of the Commencement Date, which Ground Lease Term may be adjusted by LACMTA to be longer or shorter than seventy-five (75) years based on lender and investor underwriting requirements, in LACMTA's reasonable discretion.

4.6 LEASE RIDER:

LACMTA will reasonably cooperate with Ground Lessee to reach an agreement on the form of a separate rider to the Ground Lease (a "**Lease Rider**") reasonably required by the California Tax Credit Allocation Committee ("**CTCAC**") in connection with an award of tax credits or other financing for the Project.

4.7 ESTOPPELS:

LACMTA will reasonably cooperate with lenders and investors to execute Ground Lease estoppels on LACMTA's standard estoppel form.

GROUND LEASE RENT & OTHER COMPENSATION

5.1 NET LEASE:

All rent to be paid under the Ground Lease shall be absolutely net to LACMTA, without offset, deduction or withholding. Ground Lessee shall be responsible for all capital costs and operating

expenses attributable to the development, construction, operation, and maintenance of the Project, including all taxes and assessments levied upon the Project or any interest in the Ground Lease. Ground Lessee is aware that the Premises are also subject to possessory interest taxes, which shall be paid by Ground Lessee.

5.2 CAPITALIZED RENT:

Upon execution of the Ground Lease, Ground Lessee shall pay LACMTA a capitalized rent payment (the “**Capitalized Rent**”) of \$3,450,000 for the entire Ground Lease Term, which has been determined to be the residual value of the \$10,350,000 appraised fair market value of the leasehold interest of the Site (for a 75-year lease), as determined by Cushman & Wakefield and set forth in that certain appraisal dated August 23, 2023 (the “**Appraised FMV**”). All Holding Rent received by LACMTA under the JDA shall be applied as a credit to the Capitalized Rent due under the Ground Lease upon execution of the Ground Lease by the parties.

5.3 PERCENTAGE RENT:

Ground Lessee shall pay LACMTA percentage rent in an amount equal to twenty-five percent (25%) of all gross rent paid or credited to Ground Lessee for commercial uses of the Project or the Premises (“**Percentage Rent**”). Percentage Rent shall be calculated on a calendar year basis and shall be due to LACMTA from Ground Lessee annually, in arrears, on March 30 of each calendar year following the subject calendar year, with a full accounting of the amount due. Notwithstanding the foregoing, no Percentage Rent shall be due for the portion of the Premises used for Community Facilities (as defined herein), provided that such Community Facilities are operated in a manner that will enhance the quality of life for persons residing within the Project or within a 0.5 mile radius of the Premises. The term “**Community Facilities**” shall mean space in the Project that is subleased for uses that provide, preserve, and leverage social services, education, and other community services determined by LACMTA to be critical community resources.

5.4 SALE/REFINANCING PROCEEDS:

Ground Lessee shall pay LACMTA an amount equal to: (a) 20% of all Refinancing Net Proceeds received by Ground Lessee for the refinancing of the Project, where “**Refinancing Net Proceeds**” shall mean the gross principal amount of the refinancing, less (i) the amount of any then-existing debt consummated pursuant to a financing event approved by LACMTA or permitted by the terms of the Ground Lease and secured directly or indirectly by any portion

of the beneficial interest in the Premises, the Project, and/or Ground Lessee's leasehold interest under the Ground Lease, that is paid from the refinancing proceeds and for which any lien is reconveyed or released, (ii) amounts for repairs or capital improvements to the Project to be made within twenty-four (24) months after the closing date of the refinancing, and (iii) the following transaction costs and expenses paid by Ground Lessee to any non-affiliate of Ground Lessee in connection with the consummation of any such refinancing, to the extent such costs are commercially reasonable: escrow fees, title charges, lender fees or charges, recording costs, brokerage commissions and attorneys' fees; and (b) upon the consummation of any sale of the Project to an unaffiliated third party (a "**Sale**"), Ground Lessee shall pay LACMTA, an amount equal to 20% of all Sale Net Proceeds received by Ground Lessee for the Sale of the Project, where "**Sale Net Proceeds**" means with respect to each Sale, the total consideration less (i) the amount of any then-existing debt consummated pursuant to a financing event approved by LACMTA or permitted by the terms of the Ground Lease and secured directly or indirectly by any portion of the beneficial interest in the Premises, the Project, and/or Ground Lessee's leasehold interest under the Ground Lease that is satisfied out of such total consideration, and (ii) the following transaction costs and expenses paid by Ground Lessee to any non-affiliate of Ground Lessee in connection with the consummation of the sale, to the extent such costs are commercially reasonable: escrow fees, title charges, lender fees or charges, recording costs, brokerage commissions, and attorneys' fees. Notwithstanding anything to the contrary contained herein, in no event shall the amount of any Refinancing Net Proceeds and Sale Net Proceeds paid to LACMTA, when added to any Percentage Rent payments previously paid to LACMTA pursuant to the Ground Lease, exceed the Appraised FMV of the Site.

GROUND LEASE – OTHER TERMS AND CONDITIONS

6.1 DESIGN REVIEW:

Developer shall not make any changes to the Approved Construction Documents without the prior consent of LACMTA. During the Construction Period, LACMTA will have design review rights with respect to any changes to the Approved Construction Documents desired by Ground Lessee as set forth in the *Design Review/Sequence* subsection of the *Key Joint Development Agreement ("JDA") Terms* section of this Term Sheet. Approval of such changes that represent Logical Evolutions of the design and

are not related to LACMTA Development-Related Concerns will be at LACMTA's reasonable discretion. Approval of such changes that are related to LACMTA Development-Related Concerns or are not a Logical Evolution of the design will be at LACMTA's sole and absolute discretion. LACMTA will retain the same design approval rights for any substantive Project changes or improvements later sought by Ground Lessee at any time during the Ground Lease Term. LACMTA's design approval rights as set forth herein are, in part, intended to ensure that the Project meets LACMTA's Satisfactory Continuing Control Requirement (as defined in the Retained Rights subsection of the Ground Lease – Other Terms and Conditions section of this Term Sheet).

**6.2 CONSTRUCTION
COMPLETION:**

The Ground Lease will require commencement of construction within 30 days after the Commencement Date. The Project's construction period ("**Construction Period**") will commence on the Commencement Date and terminate upon the earlier of (1) substantial completion of construction of the Project improvements as described in the Ground Lease, which shall be evidenced by a temporary certificate of occupancy for substantially all of the Project improvements described in the Ground Lease or (2) twenty-four (24) months after the Commencement Date.

**6.3 MAINTENANCE AND
OPERATIONS:**

During the Ground Lease Term, Ground Lessee shall maintain and operate all portions of the Project and the Premises at its sole cost and expense pursuant to maintenance and operations standards that shall be mutually agreed between the parties and set forth in the Ground Lease.

**6.4 DEMOLITION/DEMOLITION
SECURITY:**

If required by LACMTA, Developer shall, at Developer's sole cost and expense, (a) demolish and remove the Project and any improvements then located on the Premises (or such portion thereof as indicated by LACMTA in writing), exclusive of any LACMTA improvements and/or transportation-related amenities and facilities then located on the Premises, (b) return the Premises to LACMTA in its otherwise original condition (the "**Demolition**") at the expiration or earlier termination of the Ground Lease and (c) provide reasonable assurances to LACMTA near the end of the Ground Lease Term that the Demolition shall be completed.

**6.5 FINANCING AND
ENCUMBRANCES:**

Subject to LACMTA's reasonable approval, Ground Lessee may encumber its leasehold estate with mortgages, deeds of trust or other financing instruments; provided, however, in no event shall LACMTA's Satisfactory Continuing Control Requirement (as defined in the *Retained Rights* subsection of the *Ground Lease – Other Terms and Conditions* section of this Term Sheet), LACMTA's fee title interest or rent payable to LACMTA under the Ground Lease be subordinated or subject to Ground Lessee's financing or other claims or liens (except as set forth below for certain affordable housing and other covenants). Such encumbrances and financings shall be subject to LACMTA's reasonable approval, except with respect to certain "permitted financing events" meeting specific criteria to be set forth in the Ground Lease, which shall not require LACMTA's approval.

6.6 COVENANTS:

Ground Lessee may encumber its leasehold estate with affordable housing and other covenants (the "**Affordability Covenants**") reasonably required by Ground Lessee's affordable housing funding sources or the City of Los Angeles as a condition to granting Project approvals, entitlements and building permits, which covenants shall be subject to LACMTA's review and reasonable approval. LACMTA will reasonably consider the encumbrance of its fee title interest with certain restrictive covenants, if required by Ground Lessee's affordable housing funding sources or the City of Los Angeles as a condition to granting Project approvals, entitlements and building permits; provided that Ground Lessee agrees to perform all obligations under said covenants during the Ground Lease Term and to indemnify LACMTA for all claims and losses resulting from Ground Lessee's failure to do the same. During the Term, Ground Lessee shall lease, operate, and maintain the Affordable Units according to the terms of the Affordability Covenants, notwithstanding the expiration of any such Affordability Covenants.

**6.7 FEDERAL CIVIL RIGHTS
COVENANTS:**

Ground Lessee shall comply with all applicable Federal nondiscrimination requirements, including applicable sections of Title 49 of the Code of Federal Regulations.

**6.8 TRANSFERS, ASSIGNMENT,
AND SUBLETTING:**

Except for limited permitted exceptions to be set forth in the Ground Lease, Ground Lessee shall not transfer, assign, or sublet

(except for the typical subleasing of the apartments and retail space within the Project) its rights or obligations under the Ground Lease, or beneficial interests in Ground Lessee (each, a **“Transfer”**):

- a. Prior to completion of construction of the Project; and
- b. After completion of construction of the Project, other than in accordance with reasonable transfer criteria to be set forth in the Ground Lease, including, without limitation, criteria regarding (a) applicable FTA approval, (b) the creditworthiness, history and experience of any proposed transferee and its affiliates, and (c) FTA and State requirements, as applicable, concerning debarment, suspension, etc. stemming from FTA and State funding related to acquisition of the LACMTA Property.

6.9 RETAINED RIGHTS:

LACMTA shall retain from the Ground Lease and the Premises certain rights as shall be further described in detail in the Ground Lease, relating to the following: (1) the right to install, construct, inspect, operate, maintain, repair, expand and replace public transit facilities under and adjacent to the Premises as LACMTA may deem necessary, provided that such installation, construction, inspection, operation, maintenance, repair, expansion and replacement does not interfere with the quiet use and enjoyment of the Project or its construction by Ground Lessee or its subtenants; (2) the right to enter upon and inspect the Premises, with reasonable notice to Ground Lessee, and anytime during normal business hours, for purposes of conducting normal and periodic inspections of the Premises and the Project and to confirm Ground Lessee's compliance with the terms and conditions of the Ground Lease; (3) the right to install, use, repair, maintain, and replace along the perimeter of the Premises abutting the public streets, sidewalks or rights-of-way (including, without limitation, on the exterior of the Project) informational, directional and way-finding signs for the purpose of directing the public to, from and between LACMTA and other public transit options in the area; provided, however, LACMTA shall not install any such signage on the Premises or the Project without Ground Lessee's prior written approval, which shall not be unreasonably withheld, conditioned or delayed; and (4) all rights not explicitly granted to Ground Lessee in the Ground Lease (the **“Retained Rights”**). The Retained Rights shall, among other things, ensure that the Site remains available for the transit purposes originally

authorized by the FTA (“**LACMTA’s Satisfactory Continuing Control Requirement**”).

6.10 SUPERSEDURE: This Term Sheet supersedes the parties’ understanding of key terms and conditions relating to the Site, the Project or any joint development agreement or ground lease related thereto which may have existed prior to the date of this Term Sheet.

6.11 OTHER: Other customary provisions contained in recent LACMTA ground leases will be included in the Ground Lease, including, without limitation, provisions relating to (a) Ground Lessee’s assumption of risk related to the Project’s proximity to transit operations, (b) insurance, and (c) indemnity.

LACMTA TRANSACTION COSTS

7.1 LACMTA TRANSACTION COSTS:

Developer and Ground Lessee acknowledge and agree that LACMTA will incur certain actual costs (the “**LACMTA Transaction Costs**”) related to (a) the design, development, planning, and construction of the Project (including costs related to construction methods and logistics), and (b) negotiation of the terms and conditions of the transactions contemplated under the JDA and the Ground Lease. The LACMTA Transaction Costs shall include, without limitation, the actual cost of in-house staff time (including LACMTA overhead and administrative costs) and third party consultation fees (including, but not limited to, fees related to consultants, engineers, architects, and advisors) for financial analyses, design review (including reviewing plans and specifications for the Project), negotiations, appraisals, document preparation, services related to development, planning, engineering, construction safety, construction management, construction support, and construction logistics and inspection, and other reasonable services related to the Project and the transactions contemplated under the JDA and Ground Lease, but shall exclude the cost of LACMTA Joint Development staff, and LACMTA’s in-house and outside legal counsel with respect to negotiation and preparation of the JDA, Ground Lease and related transaction documents.

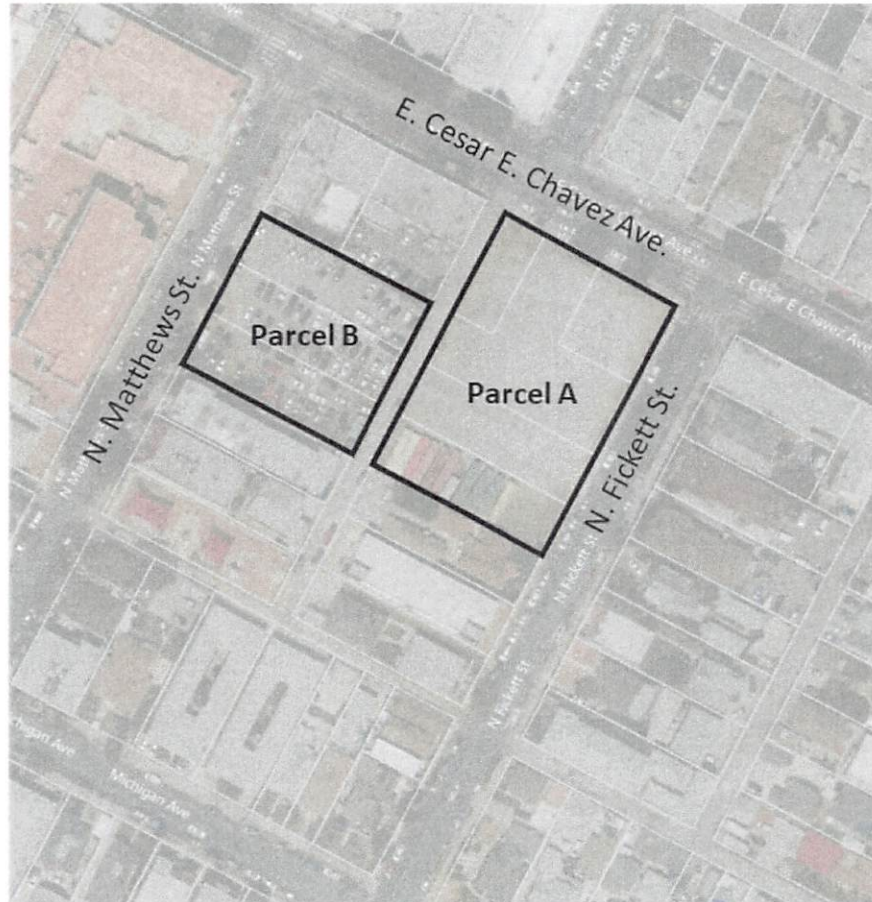
7.2 JDA FEE: Developer shall provide a fee to LACMTA for LACMTA to apply to LACMTA Transaction Costs (whether accruing prior to or after the JDA Effective Date). On the JDA Effective Date, Developer shall pay LACMTA an initial fee in the amount of \$45,000 (the “**JDA**

Initial Fee"); provided, however, upon any extension of the JDA Term, Developer shall pay LACMTA an additional fee in the amount of \$30,000 ("**JDA Extension Fee**" and together with the Initial Fee, the "**JDA Fee**").

7.3 GROUND LEASE DEPOSIT: On the Commencement Date, Developer shall pay LACMTA an initial deposit in the amount of Fifty Thousand Dollars (\$50,000) (the "**Ground Lease Deposit**"), which represents the LACMTA construction management and related inspection costs that LACMTA is anticipated to incur during the Construction Period. During the Ground Lease Term, if the remaining balance of the Ground Lease Deposit falls below the amount of \$10,000, then, upon receiving written notice from LACMTA, Developer or Ground Lessee (as applicable) shall replenish the Ground Lease Deposit to the initial amount of \$50,000. If Developer or Ground Lessee (as applicable) fails to replenish the Ground Lease Deposit as set forth herein, LACMTA may decline to provide the services that are to be covered by the Ground Lease Deposit and/or terminate the Ground Lease. LACMTA will provide documentation of the LACTMA Transaction Costs to Ground Lessee upon Ground Lessee's written request.

Exhibit A

Depiction of the Site



Transit Vicinity Map

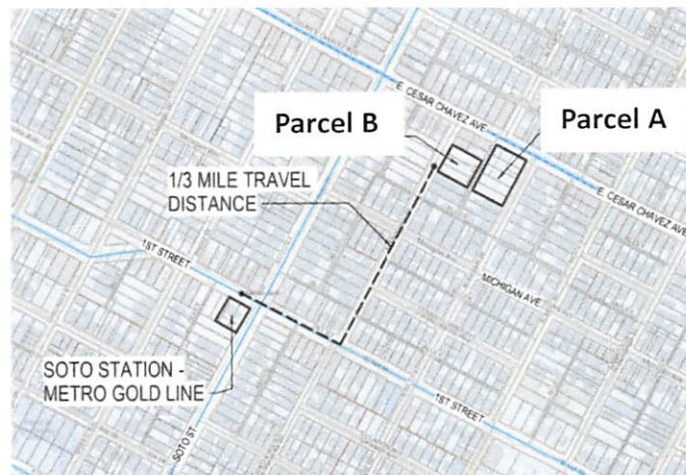


Exhibit B

List of Plans and Specifications Comprising the JDA Package

<u>Sheet No.</u>	<u>Sheet Title</u>	<u>Initial Date</u>	<u>Latest Revision Date</u>
G0.00	COVER SHEET	12/17/2021	10/25/2023
G0.02	PROJECT INFORMATION	12/17/2021	2/10/2023
G0.031	PROJECT INFORMATION	10/25/2023	10/25/2023
G0.121	PROJECT INFORMATION	10/25/2023	10/25/2023
A1.001	SITE PLAN	01/27/2023	10/25/2023
A1.101	ENLARGED SITE PLAN - FICKETT	01/27/2023	10/25/2023
A2.101	FIRST FLOOR PLAN - FICKETT	01/27/2023	10/25/2023
A2.102	SECOND FLOOR PLAN - FICKETT	01/27/2023	10/25/2023
A2.103	THIRD FLOOR PLAN - FICKETT	01/27/2023	10/25/2023
A2.104	FOURTH FLOOR PLAN - FICKETT	01/27/2023	10/25/2023
A2.105	ROOF FLOOR PLAN - FICKETT	01/27/2023	10/25/2023
A1.201	ENLARGED SITE PLAN - MATHEWS	01/27/2023	10/25/2023
A2.211	FIRST FLOOR PLAN - MATHEWS	01/27/2023	10/25/2023
A2.212	SECOND FLOOR PLAN - MATHEWS	01/27/2023	10/25/2023
A2.213	THIRD FLOOR PLAN - MATHEWS	01/27/2023	10/25/2023
A2.214	FOURTH FLOOR PLAN - MATHEWS	01/27/2023	10/25/2023
A2.215	ROOF FLOOR PLAN - MATHEWS	01/27/2023	10/25/2023
A4.010	UNIT PLANS – TYPE A1 AND A2	01/27/2023	10/25/2023
A4.011	UNIT PLANS – TYPE B1	01/27/2023	10/25/2023
A4.012	UNIT PLANS – TYPE C1 AND C2	01/27/2023	10/25/2023
A4.013	UNIT PLANS – TYPE D1	01/27/2023	10/25/2023
A4.014	UNIT PLANS – TYPE E1	01/27/2023	10/25/2023
A5.201	EXTERIOR ELEVATIONS - MATHEWS	01/27/2023	10/25/2023
A5.202	EXTERIOR ELEVATIONS - MATHEWS	01/27/2023	10/25/2023
A5.105	AXONOMETRIC – FICKETT	10/25/2023	10/25/2023
A5.204	AXONOMETRIC - MATHEWS	10/25/2023	10/25/2023
A5.205	AXONOMETRIC – CESAR CHAVEZ STREET	11/2/2023	11/2/2023
A6.201	BUILDING SECTIONS - MATHEWS	01/27/2023	10/25/2023
A5.101	EXTERIOR ELEVATIONS - FICKETT	01/27/2023	10/25/2023
A5.102	EXTERIOR ELEVATIONS - FICKETT	01/27/2023	10/25/2023
A6.101	BUILDING SECTIONS - FICKETT	01/27/2023	10/25/2023
L0.00	LANDSCAPE NOTES AND SCHEDULES	12/17/2021	10/23/2023

L1.02-A	LANDSCAPE GROUND FLOOR PLANTING PLAN – MATHEWS	12/17/2021	10/23/2023
L2.01-A	LANDSCAPE SECOND FLOOR PLAN – MATHEWS	12/17/2021	10/23/2023
L2.02-A	LANDSCAPE SECOND FLOOR PLANTING PLAN – MATHEWS	12/17/2021	10/23/2023
L3.01-A	LANDSCAPE THIRD FLOOR PLAN – MATHEWS	12/17/2021	10/23/2023
L4.01-A	LANDSCAPE FOURTH FLOOR PLAN – MATHEWS	12/17/2021	10/23/2023
L1.02-B	LANDSCAPE GROUND FLOOR PLANTING PLAN – FICKETT	12/17/2021	10/23/2023
L2.01-B	LANDSCAPE SECOND FLOOR PLAN – FICKETT	12/17/2021	10/23/2023
L2.02-B	LANDSCAPE SECOND FLOOR PLANTING PLAN – FICKETT	12/17/2021	10/23/2023
L3.01-B	LANDSCAPE THIRD FLOOR PLAN – FICKETT	12/17/2021	10/23/2023
L4.01-B	LANDSCAPE FOURTH FLOOR PLAN – FICKETT	12/17/2021	10/23/2023

Exhibit C

Renderings and Site Plan

Exhibit C
Renderings and Site Plan



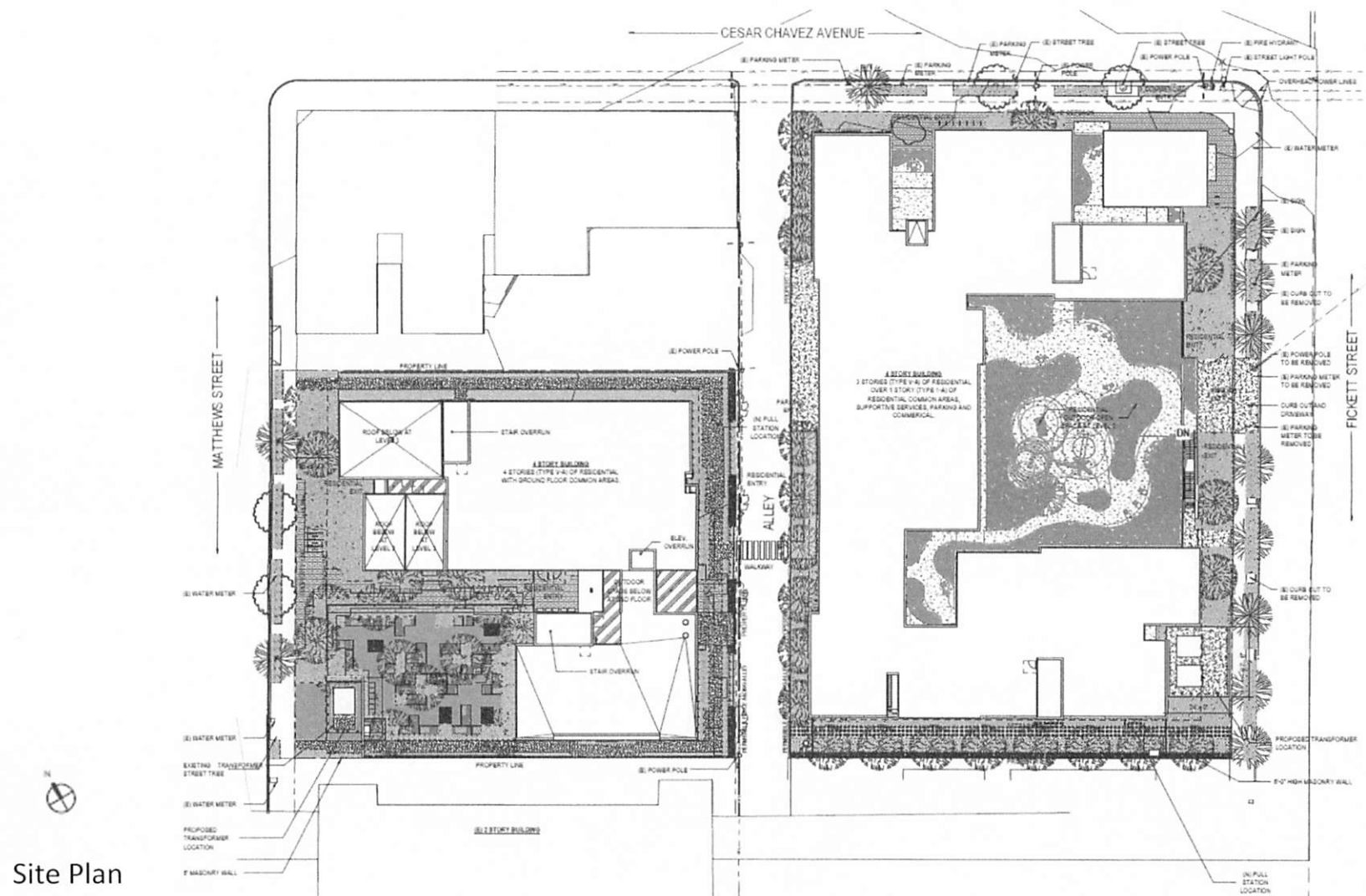
View from Mathews Street facing east



View from corner of Cesar Chavez Avenue and Fickett Street facing southwest

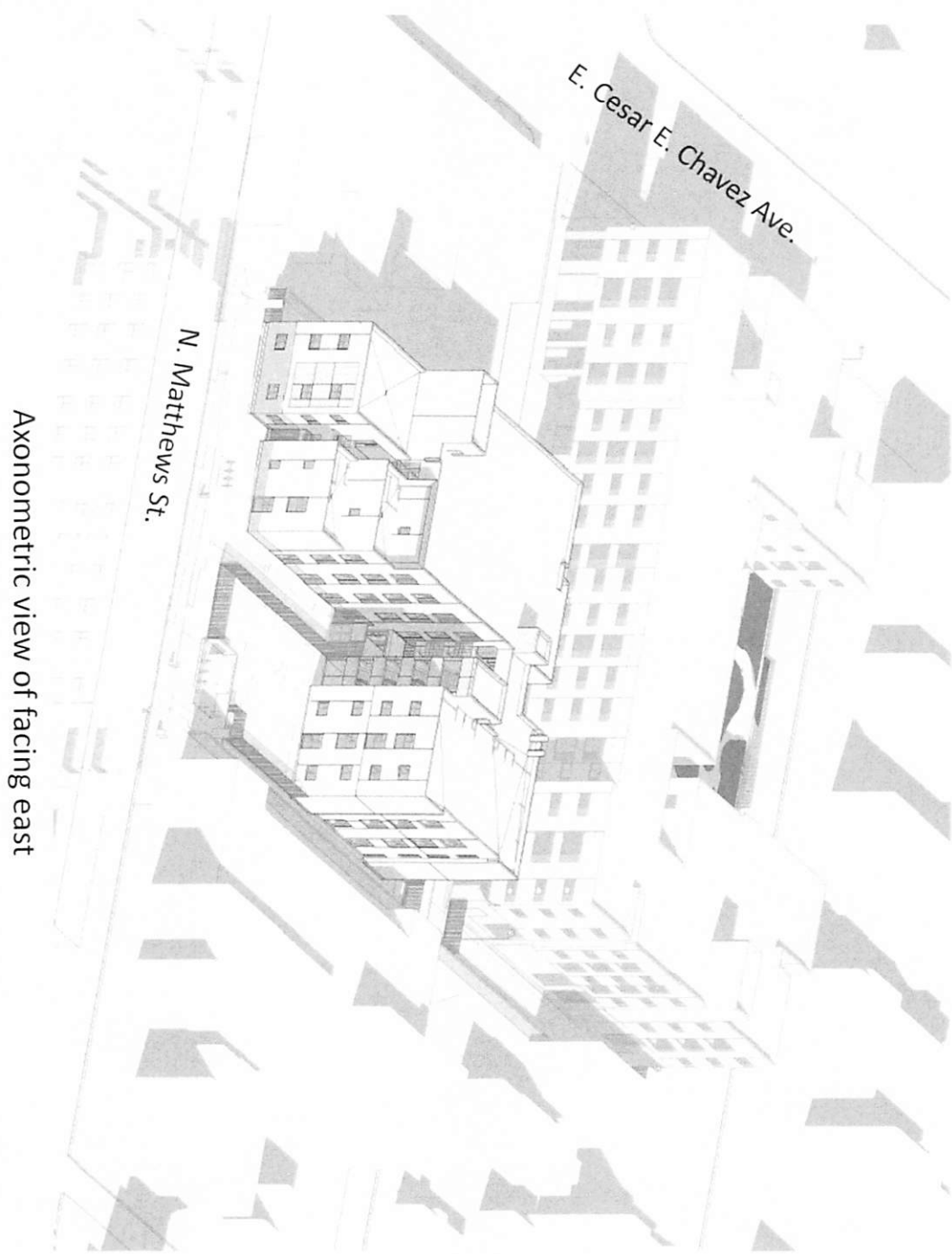


View from Fickett Street facing west

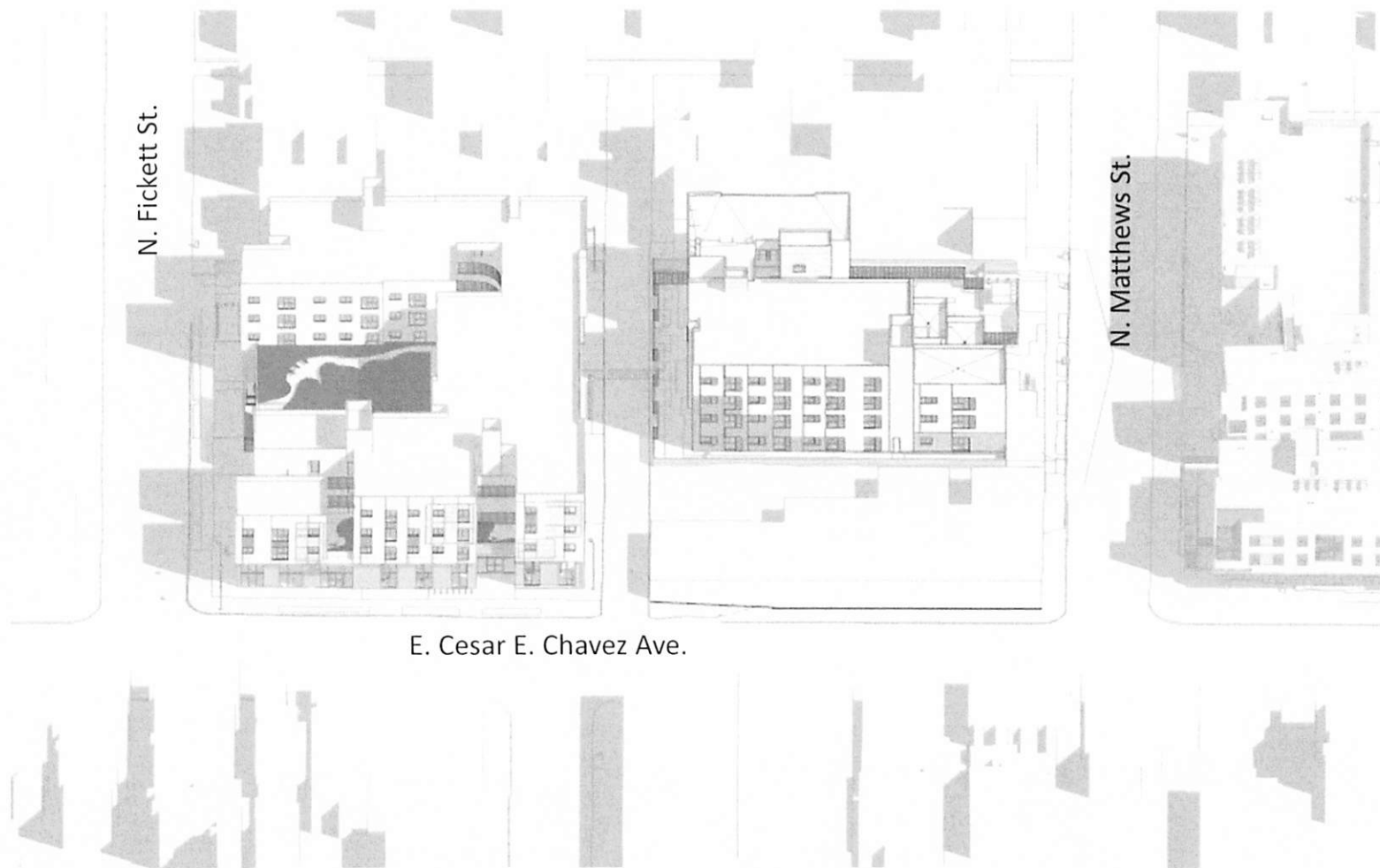




Axonometric view of facing west



Axonometric view of facing east



N. Fickett St.

N. Matthews St.

E. Cesar E. Chavez Ave.

Axonometric View of facing south