

January 30, 2008

Mr. John Mc Donald  
Imperial Partners, LLC  
c/o Thomas Dudley  
Newmark Realty Capital  
1920 Main Street, Suite 980  
Irvine, CA 92614

JON E. WALTERS  
TRUSTEE

DR. HOBBS, JR.  
TRUSTEE

VIA UPS OVERNIGHT

Re: Inglewood Promenade - Inglewood, California

Dear John:

I enjoyed our recent meeting to further discuss the Inglewood Promenade project. As you well know, NEBF, the 12 billion-dollar flagship pension fund of the International Brotherhood of Electrical Workers and the National Electrical Contractors Association, can bring substantial financial backing to such an ambitious development. We have proposed to you in a separate, confidential letter of intent, terms upon which NEBF would provide pre-development capital and joint venture equity of up to \$150 million, as well as partial repayment guarantees on construction loans capitalizing the project. We expect that shortly after execution of that letter, we will be able to move through our due diligence process and execute a joint venture agreement with you.

Inglewood Promenade is an important project for us. We believe the project will transform a prominent, yet currently blighted, stretch of Century Boulevard into a vibrant, mixed-use center which will provide amenities to the surrounding neighborhood and, indeed, the entire City of Inglewood. Critically, we expect the project to meet NEBF's two primary objectives of generating an acceptable rate of return on our investment and creating thousands of union jobs.

We anticipate you will execute the necessary development agreement with the City of Inglewood in the very near future. We also believe your efforts to secure an adequate level of New Markets Tax Credits are absolutely necessary to achieving investment returns which will be even minimally acceptable to our fund. We would welcome the opportunity to meet with government officials at the City, State and Federal levels to express our support for the project and request the appropriate assistance with this transformative development. Please contact me if I can provide any additional support or assistance with your efforts.

Sincerely,



Ryan J. Whitaker  
Equity Investment Officer

**RESOLUTION NO. 10H-39**

**A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY SETTING FORTH THE AUTHORITY'S OFFICIAL INTENT TO ISSUE REVENUE BONDS TO UNDERTAKE THE FINANCING OF A PROJECT FOR ANGELES FIELDS PARTNERS LLC (OR AN AFFILIATE) AND RELATED ACTIONS**

**WHEREAS**, the California Statewide Communities Development Authority (the "Authority") is authorized and empowered by Title 1, Division 7, Chapter 5 of the California Government Code (the "Act") and a joint exercise of powers agreement among a number of California cities, counties and special districts, to issue revenue bonds in order to promote economic development; and

**WHEREAS**, Angeles Fields Partners LLC and/or related entities (the "Borrower") has requested that the Authority issue and sell revenue bonds (the "Bonds") pursuant to the Act for the purpose of financing acquisition and construction of a mixed-use development to be located in the City of Lynwood that is proposed to consist of three unique major retail centers, a football/soccer stadium, a business hotel, a regional convention center and adjoining hotel, office buildings and residential units (the "Project"); and

**WHEREAS**, the Borrower has therefore submitted, and this Commission has accepted, an application requesting financing for such Project; and

**WHEREAS**, the Authority wishes to declare its intention to authorize the issuance of Bonds for the purpose of financing costs of the Project in an aggregate principal amount of approximately \$4,800,000,000;

**NOW, THEREFORE, BE IT RESOLVED** by the California Statewide Communities Development Authority, as follows:

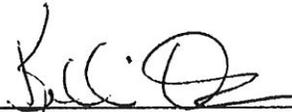
Section 1. The Commission hereby finds and determines that the above recitals are true and correct.

Section 2. The Authority hereby declares its official intent to provide financing for the Project by the issuance and sale of the Bonds pursuant to the Act, as shall be authorized by resolution of the Authority at a meeting to be held for such purpose, in an approximate principal amount of \$4,800,000,000. This action is taken expressly for the purpose of inducing the Borrower to undertake the Project, and nothing contained herein shall be construed to signify that the Project complies with the planning, zoning, subdivision and building laws and ordinances applicable thereto or to suggest that the Authority or any program participant, officer or agent of the Authority will grant any such approval, consent or permit that may be required in connection with the acquisition, construction, rehabilitation or equipping of the Project, or that the Authority will make any expenditures, incur any indebtedness, or proceed with the financing of the Project.

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PASSED AND ADOPTED by the California Statewide Communities Development Authority this 27th day of October, 2010.

I, the undersigned, the duly appointed, and qualified member of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on October 27, 2010.

By:   
Authorized Signatory

**From:** Jose Domene <jose@chivas>  
**Date:** Wed, 26 Oct 2011 10:18:02 -0700  
**To:** John McDonald <john@jwmventures.net>  
**Cc:** Lorenzo Cue <lcue@capitalintegral.com.mx>  
**Subject:** MOU

Hi John,

I just spoke to Lorenzo Cue (Chivas USA's Managing Partner) and asked me to send you this email, confirming that Chivas USA's Board has approved the MOU in principal, pending our attorney's review and final approval. Once that happens, I will send you the signed version. Should you have any questions or need my assistance (or confirmation) during your meetings, do not hesitate to call me on my cell 310.415.7131

Best,

Jose

Jose L. Domene

General Manager / VP of Soccer Operations  
Club Deportivo Chivas USA (MLS)  
18400 Avalon Boulevard, Suite 500  
Carson, CA 90746

+1 310 630 4550  
+1 310 630 4551 (fax)  
Tickets: +1-877-CHIVAS-1

**From:** "Lashbrook, Brett" <brett.lashbrook@MLSsoccer.com>  
**Date:** Thu, 9 Feb 2012 15:34:00 -0500  
**To:** John McDonald  
(john@jwmventures.net) <john@jwmventures.net>  
**Cc:** Jose L Domene <jose@chiv.as> <jose@chiv.as>  
**Subject:** Request for Meeting: City of Lynwood/Chivas  
USA/Major League Soccer

John,

As a follow-up to our conversation, we would like to schedule a meeting with both yourself and City of Lynwood officials to learn additional details regarding the stadium project you are proposing. In general, we would like to discuss the following:

- **Temporary Stadium:** Obtain additional information on the potential City of Lynwood land options you previously presented that could possibly serve as a location for a Major League Soccer temporary stadium as early as March 2013. Specifically, we want to discuss:
  - Process for clearing title;
  - Verifying its availability for long-term use (if needed);
  - Remediation issues (if any);
  - Overall timeline for completion of land acquisition & other environmental reviews;
  - Proposed next steps; and
  - Other related topics, etc.

It would also be helpful if we could obtain the exact addresses of the proposed temporary stadium locations prior to the meeting.

- **Permanent Stadium:** Directly discuss the current status of the Angeles Fields projects with City of Lynwood officials as it relates to the proposed permanent stadium site – e.g., estimated project timing,

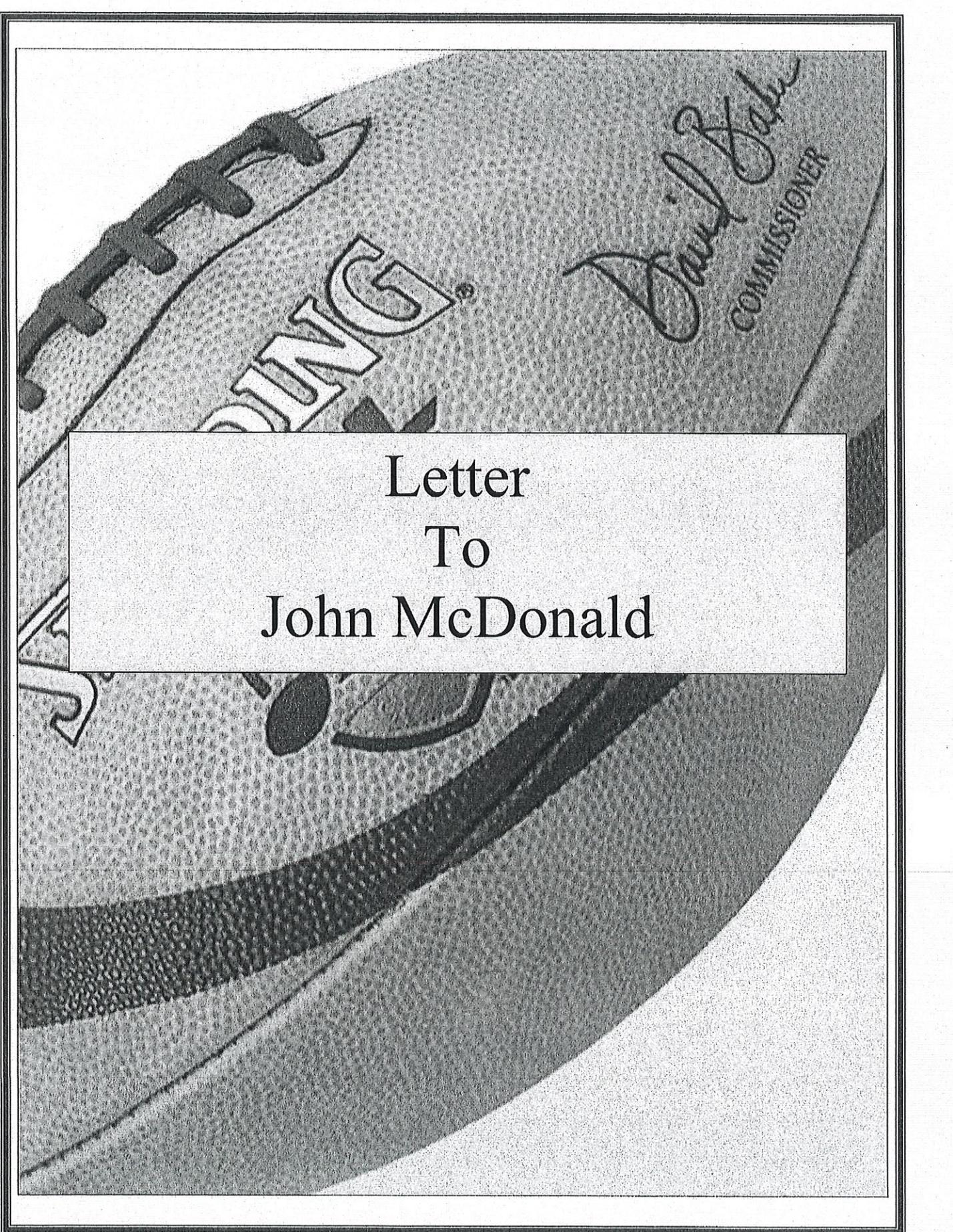
current involvement of Lynwood Redevelopment Agency, City's potential use of eminent domain, etc.

We are available to meet at the City of Lynwood offices next week at any time on either Thursday or Friday (Feb. 16/17). On our end, we would have representatives from Chivas USA's ownership, Major League Soccer's league office and the League's California-based outside counsel.

Thank you.

**Brett Lashbrook**  
**Special Assistant to the Commissioner's Office**  
**Major League Soccer / Soccer United Marketing**  
**420 Fifth Avenue, 7th Floor**  
**New York, NY 10018**

**Cell: (212) 450-1260**  
**Fax: (212) 450-1360**



Letter  
To  
John McDonald

# INVXTUS

January 4, 2010

*Delivered: Via Hand Delivery and E-Mail*

John McDonald  
Managing Partner  
Angeles Partners, LLC  
5933 West Century Boulevard  
Suite 614  
Los Angeles, California 90045

Re: Angeles Fields

Dear John:

Thank you very much for the opportunity to meet over these last several weeks to discuss your vision and our potential participation in Angeles Fields. I especially want to thank you, Brian and Keith for your willingness to travel down to Orange County while I've been immobilized because of my back problems.

Thank you also for your desire to have David, Craig and I involved in such a grand vision that has so much potential to help so many at a critical time when they need hope more than ever before. It is a noble endeavor that is fraught with challenges that will test the passion of the purest heart and demand all the skill of the most experienced and seasoned leader.

My most fundamental business principles clearly dictate that tying our efforts, at this time, to a single site is probably the wrong thing to do. But, I am so impressed by your passion and vision that I believe if this "long-shot" is ever going to cross the finish line, that it will be because of a leader like you.

You have provided us with significant incentive to be involved should the project be successful. It is important to emphasize, however, that the reason I, with the support of my partners, might abandon better business principles and practices is our collective gut instinct that you have the vision, passion and expertise to make this happen where others, who might seem more powerful, famous or better capitalized could not. If we do this, it is because we believe in **YOU!**

Enclosed herewith please find my attempt at a first draft of the Memorandum of Understanding setting forth the opportunity you have afforded us. I have not attempted to "negotiate" any of the terms but

only to set forth the deal that has evolved through our multiple discussions. Where there were areas that I was unsure of I attempted to set forth my best understanding. Please help me clarify any matter that may be contrary to your understanding. Hopefully, this MOU will serve as a very positive starting place as we discuss the Venture more and such potential issues as density, including an arena, the possibility of having two teams, potential office space, the sale of materials and other issues.

I have also taken the liberty of including professional resumes and background information on myself, David and Craig. In particular I have enclosed articles that may be of interest to you from *Sports Illustrated*, *the Wall Street Journal*, *Time Magazine*, *the New York Times*, *The Sports Business Journal* and other respected publications.

We understand that if you can accomplish all the things you believe you can, that this will be a great deal – for all of us. I also know you understand that, if getting an NFL team back in Southern California was easy, a premium market like Los Angeles would not have gone without one for *nearly two decades* now. A key issue is “time”! Time is of the essence. We will need to make enormous progress politically and financially in 2010. Presently, I believe the optimum time for buying an NFL team will be the third and fourth quarters of 2010. We will do everything we can to support you, and, if you accomplish what you believe you can, I am confident that we are in as good a position or better than anyone else to make it happen!

If we are privileged and are afforded the honor to compete beside you, please be confident that we compete to “win”!

I am a big fan of Teddy Roosevelt’s quote...

*“It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly; who errs, who comes up short again and again, because there is no effort without error and shortcoming; but who does actually strive to do the deeds; who knows great enthusiasms, the great devotions; who spends himself in a worthy cause; who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who neither know victory nor defeat.”*

Thank you John for being that “man in the arena”. Thank you for “daring greatly”. Thank you for inviting us along for such a great adventure – win or lose!

With Great Respect,



David Baker

For INVX TUS Sports, LLC

JAMS ARBITRATION CASE REFERENCE NO. 1200042851

ANGELES FIELD PARTNERS, LLC, and SOLIE GRACIE, LLC,  
Claimants,

and

LYNWOOD REDEVELOPMENT AGENCY,  
Respondent.

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INTERIM AWARD

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Counsel for Lynwood Redevelopment Agency

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**Place of Arbitration:** Los Angeles, CA

**Date of Interim Award:** September 21, 2011

THE UNDERSIGNED ARBITRATORS, having been designated in accordance with the arbitration provision contained in paragraph 27 of the Second Amendment to Amended and Restated Exclusive Negotiation Agreement (“ENA”), and having examined the submissions, proof and allegations of the parties, finds, concludes and issues this Interim Award as follows:

**I. Introduction and Procedural Statement**

Claimant Angeles Field Partners, LLC and Solie Gracie, LLC (jointly referred to as “AFP” or “Claimants”) filed a Demand for Arbitration (Notice of Claims and Remedies Sought) dated January 24, 2011, seeking (1) a determination that AFP is not in breach of the ENA for not tendering the sum of \$500,000 to the Agency and therefore the ENA is not terminated; (2) specific performance requiring the Lynwood Redevelopment Agency (“Agency”) to negotiate in good faith the language in the disbursement agreement and acceptance of the \$500,000 deposit. The Agency filed its Response on February 7, 2011, seeking a determination that (1) AFP had breached the ENA by failing to timely deliver or tender a deposit; (2) the disbursement agreement was not a condition precedent or concurrent to the delivery or tender of the deposit; (3) the Agency did not waive its claim of breach by tendering a draft disbursement agreement; and (4) AFP is not entitled to specific performance requiring the Agency to negotiate the disbursement agreement or accept the deposit.

The arbitration took place on August 15, 2011. John McDonald, the principal of AFP, and Ronald E. Winkler, an expert witness for the Agency, testified. Counsel presented closing argument. Counsel were well prepared and professional and presented their cases in an efficient manner.

## II. Facts

AFP is a developer who entered into an Exclusive Negotiation Agreement on October 17, 2006 with the Agency to build a 300 acre commercial, residential and retail development project in the city of Lynwood, California (the "Project"). The Project also included a NFL football stadium.

On October 17, 2006, the parties entered into the first ENA. This agreement was revised and amended and on July 17, 2007, then the parties entered into a First Amendment to the ENA ("First Amendment ENA"). AFP had concerns with the First Amendment ENA, including issues involving the deposit that AFP was to provide to the Agency and how that deposit would be held and accounted for. AFP did not execute the First Amendment ENA and the parties continued to negotiate.

On October 2, 2007, following a recall election recalling four of the five City Council members and electing four successor City Council members, but prior to the new City Council members being sworn in, the parties executed the Second Amendment to ENA (referred to henceforth as the ENA). The Agenda Staff Report (Ex C15) noted that AFP had neither executed the First Amendment ENA nor delivered the \$500,000 deposit. The Staff Agenda listed thirteen new "material terms and conditions" embodied in the revised ENA, including extending the time from 120 days to 180 days within which AFP had to submit documents and perform due diligence work, and "a stipulation that a bank account be established and a disbursement agreement be mutually agreed upon among the Agency, Developer and the Bank. ENA provides:

"The Developer shall deposit with the Agency, in accordance with this Section 16, an amount of up to Two Million Dollars (\$2,000,000)(the which shall be used exclusively to fund certain Project-related costs incurred the Agency ... all as generally set forth in an Agency prepared cost budget approved by the Developer. Pursuant to this Section 16, the Deposit (and all installments thereof) shall be placed into a bank account of a nationally

recognized banking institution operating and located within the City of (the "Bank") for disbursement to the Agency in accordance with a mutually acceptable fund disbursement agreement by and among the Agency, and the Bank. In this regard and within forty-five (45) calendar days the execution of this Agreement by the Agency, the Developer shall deliver to Agency for deposit with the Bank the sum of \$500,000 which shall constitute maximum amount of the Deposit proceeds maintained by the Bank on behalf the Agency at any given time...."

Section 20 of the ENA provides:

"This Agreement, when executed by the Developer and delivered to the Agency, accompanied by the Deposit described in Section 16 hereinabove, shall be deemed to be an offer by the Developer to enter into negotiations pursuant to the terms of this Agreement and will then be scheduled for approval by the Agency's Board of Directors. This Agreement must be authorized, executed and delivered by Agency within sixty (60) days after the date of signature by the Developer or the Developer shall have the right to withdraw its offer to enter into this Agreement upon written notice to Agency...."

It is undisputed that AFP and the Agency signed the ENA on October 2, 2007. It is also undisputed that AFP did not deliver the \$500,000 deposit to the Agency or to a bank prior to the Agency signing the ENA, as required by Section 20, or within the forty-five day time limit prescribed by Section 16, or at all. John McDonald testified that the parties were focused on other things that they needed to accomplish under the ENA and that they agreed that they would get around to the disbursement agreement at a later date. Mr. McDonald testified that AFP did not want to deliver the \$500,000 deposit to the Agency until it had the protection of a disbursement agreement in place because AFP was concerned with the political situation in Lynwood and wanted to insure that the \$500,000 deposit would be placed into a special bank account, subject to the terms of a disbursement agreement, and not be deposited by the Agency into a general account. Mr. McDonald further testified that he was concerned with corruption in Lynwood.

On October 9, 2007, Aide Castro, a new City Council member, filed a lawsuit in Los Angeles Superior Court against the City of Lynwood, the Lynwood Redevelopment Agency and various City Council members seeking to restrain and enjoin the defendants from spending city funds or committing city funds and from implementing or enforcing any actions taken by the Agency on October 2, 2007, namely the ENA. The Court issued the temporary restraining order on October 9, 2007, and it remained in effect until replaced by a preliminary injunction on November 7, 2007.

On October 16, 2007, the new City Council was sworn in and on October 26, 2007 the Lynwood Redevelopment Agency filed a declaratory relief action in Los Angeles Superior Court seeking a declaration regarding whether the ENA was legally adopted by the Agency inasmuch as the prior Agency Board had been recalled prior to the October 2, 2007 approval of the ENA. On January 23, 2008, the Court issued a preliminary injunction in that action, enjoining the Agency and AFP from implementing, enforcing or giving any legal effect to the ENA. On June 20, 2008 that the ENA was invalid. AFP took an appeal and, on December 10, 2009, the Court of Appeal reversed, concluding, inter alia, that the first City Council members were still in office when they voted on the ENA.

On July 7, 2008, following the ruling by the Superior Court that the prior Agency's action approving the ENA were invalid, the (new) Agency sent two letters to AFP (the letters were actually addressed to Lynwood Promenade, LLC, the predecessor in interest to AFP and the entity named as developer in the First Amendment ENA) notifying it that it was in breach of the First Amendment ENA, demanding that AFP cure a large number of default items, and requiring documentation of a number of items. AFP did not respond to these letters. It is AFP's position that the First Amendment ENA was not in effect because it had never been adopted by the Agency entered into an exclusive negotiating agreement with another entity, Lynwood Gateway Center, LLC, which encompassed a portion of the property covered by the AFP ENA. Lynwood Gateway Center cancelled its exclusive negotiating agreement after the Court of Appeal's decision. AFP was unaware of this other exclusive negotiating agreement until its sought review of the Court of Appeal decision at the California Supreme Court, which denied review on March 24, 2010.

On April 20, 2010, the Agency sent a letter to AFP acknowledging the Court of decision and stating that it would comply. The Agency gave AFP forty-five days to deposit

\$500,000 deposit and to provide other information regarding its plans for the Project in intervening events.

AFP did not respond within the forty-five day period. On June 15, 2010, the Agency voted to terminate the ENA and sent AFP written notice of default and termination, and gave AFP a thirty-day period in which to cure the defaults. The Agency stated that the reason for the termination was AFP's failure to respond to the requests in the Agency's July 7, 2008 and April 20, 2010 letters.

On July 12, 2010, within the thirty-day cure period, AFP responded to the April 20 and June 16, 2010 letters. AFP stated its intention to provide the \$500,000 deposit subject to the signing of a mutually acceptable fund disbursement agreement signed by the Agency, AFP and the bank. AFP reiterated its concern that it could not provide the Agency with a large cash deposit without the restrictions of a fund disbursement agreement, as provided in Section 16 of the ENA.

The Agency drafted and provided a funds disbursement agreement to AFP on July 14, 2010. AFP's counsel provided two comments on July 19, 2010, one of which would delete the Agency's right to veto contracts and consultants. AFP also requested that the Agency toll the Termination Notice until the parties had mutually agreed upon a disbursement agreement. The Agency did not respond to the comments, but rather continued to demand the \$500,000 deposit. On August 3, 2010, in an effort to compromise and avoid arbitration, AFP proposed delivering the deposit to the Agency's counsel to be held in his trust account, until the parties could resolve the disbursement agreement. The Agency did not accept this offer.

### **III. Analysis**

It is the Agency's position that the ENA requires the deposit to be delivered to the Agency before the disbursement agreement was to be signed, citing Section 20 the ENA. position is that the execution of a mutually acceptable disbursement agreement among Agency and the bank, and opening of a bank account were conditions precedent to the of the \$500,000 deposit, citing Section 16. Alternatively AFP argues that the disbursement agreement and the opening of a bank account were conditions concurrent with the delivery \$500,000 deposit. AFP further argues that the Agency waived its April 20, 2010 notice of

termination by its July 14, 2010 letter which included a proposed disbursement agreement comment or signature by AFP.

We begin our analysis by reviewing the changes between the unsigned First Amendment ENA and the operative, signed ENA.

The First Amendment ENA would have required AFP to deliver the \$500,000 deposit to the Agency prior to the execution of the agreement. (Sections 16 and 19) AFP objected to these provisions, among others, refused to sign the First Amendment ENA, and sought modifications. One such modification was the addition of language in Section 16 requiring the establishment of a bank account and a mutually agreed upon disbursement agreement; another was providing that AFP would have forty-five days following execution of the ENA to deliver the deposit. (Section 16)

The Agency's staff recognized these modifications explicitly in the Agenda Staff Report dated October 2, 2007, after noting that the Developer had neither signed the First Amendment ENA nor delivered the initial deposit: "The Developer has expressed its interest in continuing with the development proposal now entitled "Angeles Fields" by proposing the approval and execution of a proposed Second Amendment by the Agency which provides for certain modifications to be First Amendment, including the time by which the initial deposit is to be made by the Developer." Exhibit R15.

These modifications were made to the ENA but the parties neglected to make conforming changes to old Section 19 which was carried over unchanged into the ENA as Section 20, and which still contained the language requiring delivery of the initial deposit prior to the Agency executing the ENA. The Panel is of the opinion that the retention of that language in Section 20 was an oversight. Accordingly the inconsistent language in Section 20 will be stricken. ~~Section 20 will be stricken.~~ The Panel concludes that it was the intention of the parties that they were to select a bank for the deposit, then develop a mutually acceptable fund disbursement agreement among AFP, the Agency and the bank, and then "[i]n this regard and within forty-five (45) calendar days following the execution of this Agreement by the Agency, the Developer shall deliver to the Agency for deposit with the Bank the sum of \$500,000...." The failure of the parties to execute a mutually agreed upon disbursement agreement excuses AFP's failure to make the initial \$500,000 deposit.

Our analysis is informed by several additional considerations. First, the Agency executed the ENA on October 2, 2007, without requiring the deposit. Second, immediately upon executing the ENA, AFP found itself caught up in Lynwood's political imbroglio (to use the language of the Court of Appeal) and restricted by the TRO and preliminary injunction entered in the first litigation and the preliminary injunction and judgment in the second litigation. Mr. McDonald also testified to his concern regarding political corruption in Lynwood, providing the example of Enrique Martinez, then-Executive Director of Lynwood Redevelopment Agency, coming to Mr. McDonald's office with another man and asking him to "buy-out" the other man's agreement with the City. It is understandable that AFP would be reluctant to hand over a cashier's check for \$50,000 before having in place a depository bank and the disbursement agreement for which it had negotiated as a modification to the ENA. Agency's requests for the deposit contained in the July 7, 2008 letters. Those demands were based upon the First Amendment ENA which was not executed and under which AFP had no obligations.

The Agency's April 20, 2010 letter, requesting the deposit, is also defective as it fails to make any mention of the depository institution or the funds disbursement agreement provisions of Section 16. Mr. McDonald testified that at some point he tried to contact the Agency to discuss the situation as there were matters that he did not want to put into writing. For whatever reason, nothing appears to have happened between the April 20, 2010 letter and the June 15, 2010 vote by the Agency to terminate the ENA. AFP argues that the termination was defective as AFP should have first received a "notice of intent to terminate" setting forth the basis for the proposed termination. We find that the June 16, 2010 Notice of Termination does specify reasons for the termination, namely failure to deliver the deposit and failure to respond to the information requests in the Agency's prior letters. In any event, the Agency gave AFP the thirty-day cure period.

Within that thirty-day cure period AFP re-opened communications with the raised the issue of the disbursement agreement and responded to the Agency's questions Proposition 99 and the NFL Stadium. The Agency provided AFP with a draft agreement on Wednesday, July 14, and AFP provided its comments on Monday, July 19, (AEP's letter providing comments and information is dated July 19, 2010, technically thirty-day cure period, but the parties appear to have discussed a few day extension due to

City Hall being closed on Friday July 16 and Mr. McDonald's representation that a check would be delivered on July 19, 2010, before his counsel had reviewed the draft disbursement agreement.)

Further, the Agency appears to have recognized its obligation to draft a disbursement agreement and sent its draft to AFP, albeit immediately before the end of the cure period. However, it then failed to follow up on the comments submitted by AFP – and there were only two changes—with no explanation. Nor did it respond to AFP's offer to deliver the \$500,000 deposit to the Agency's counsel to be held in the trust account until the disbursement agreement could be mutually agreed upon by the parties and the bank. We find that AFP responded timely to provide comments to the disbursement agreement and acted in good faith in offering to deliver the deposit to be held in trust by counsel.

#### **IV. Conclusion and Further Proceedings**

1. Claimants Angeles Field Partners and Solie Gracie are not in breach of the Second Amendment to Amended and Restated Exclusive Negotiation Agreement, and the Second Amendment to Amended and Restated Exclusive Negotiation Agreement is not terminated and remains in effect.
2. Within forty-five days (on or before November 4, 2011), Angeles Field Partners shall deliver its initial deposit of \$500,000 in accordance with the terms of a mutually agreeable funds disbursement agreement. Angeles Field Partners and Lynwood Redevelopment Agency shall negotiate in good faith to agree upon a funds disbursement agreement.
3. Claimants are the prevailing party. Claimants shall file and serve an application for expenses, costs and legal fees, pursuant to Section 27 of the Second Amendment to Amended and Restated Exclusive Negotiation Agreement, on or before October 10, 2011. Respondent Lynwood Redevelopment Agency may file opposition evidence and argument by October 20, 2011, and Claimant may reply by October 25, 2011. The matter shall be submitted for final decision at that time unless any party requests an oral hearing, in writing, by October 25, 2011.

The further determinations to be made at any further hearing or based on written submissions shall be embodied in a Final Award which shall also incorporate the contents of the Interim Award. It is not intended that this Interim Award be subject to review either pursuant to 9 U.S.C. §§ 9, 10 or Cal. Code Civ. Proc. §§ 1284, 1285.

DATED: September 21, 2011



Barbara Reeves Neal, Esq.  
Chair Arbitrator



Hon. Sherman W. Smith (Ret.)  
Arbitrator



Hon. Robert E. Thomas (Ret.)  
Arbitrator