

RESOLUTION NO. SA

**A RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMMERCE  
COMMUNITY DEVELOPMENT COMMISSION APPROVING AN ASSIGNMENT  
OF THE FIRST AMENDMENT TO THE CONTINGENT AGREEMENT TO  
PURCHASE AND SELL REAL ESTATE TO CRAIG REALTY GROUP CITADEL,  
LLC, FOR LAND IN THE CITY OF COMMERCE**

WHEREAS, on January 20, 2015, the Successor Agency to the Commerce Community Development Commission ("Successor Agency") approved the "Contingent Agreement to Purchase and Sell Real Estate and Escrow Instructions" ("the PSA") with Craig Realty Group Citadel, LLC ("Craig Realty"). The land that was the subject of the agreement is 25.29 acres located in the City of Commerce ("the Land"); and

WHEREAS, the PSA complied with all aspects of ABx1 26 and AB 1484, and was ultimately approved by the Oversight Board and the Department of Finance.

WHEREAS, the PSA contemplated the development of an "Industrial Portion" of the Land as an "Industrial Development," as specified in Article 6 of the PSA, by a third party to the PSA; and

WHEREAS, since the time of the PSA, the third party that intended to complete the "Industrial Development" (the Ryzman Family Trust) has informed the City, Successor Agency, and Craig Realty that it does not intend to proceed with the "Industrial Development." Hence, the PSA was required to be amended accordingly; and

WHEREAS, the Successor Agency's Long Range Property Management Plan ("LRPMP"), which preceded the PSA, anticipates that the Successor Agency would sell the Land to Craig Realty for purposes of commercial and retail development. The Amendment eliminates the possibility that the Ryzman Family Trust can develop an industrial use on the Land and allows the Successor Agency, the City, and Craig Realty to pursue the original purpose of developing the entire Land as a retail and commercial use; and

WHEREAS, the PSA continues to control all aspects of the agreement between the Successor Agency and Craig Realty except for those terms that the First Amendment explicitly modified; and

WHEREAS, on July 5, 2018, the Successor Agency approved the First Amendment To Contingent Agreement To Purchase And Sell Real Estate and Escrow Instructions; and

WHEREAS, as part of the Citadel Expansion and the Wash-Tel projects, Craig Realty is in the process of refinancing loans.

WHEREAS, the lender group, which consists of three life insurance companies,

requires that its borrower, Craig Realty be a single purpose entity owning only the existing Citadel Outlets.

WHEREAS, the proposed refinance will, in part, provide the funds necessary for the acquisition and continued development of the greater Citadel expansion project.

WHEREAS, the lender group requires that Craig Realty not be obligated for agreements pertaining to further expansion on property which is not part of the security for the loan.

WHEREAS, in order to achieve the requirements of the lender group and still recognize the interests of the member owners of Craig Realty as well as the interests of third parties dealing with Craig Realty on the Citadel expansion project, and to facilitate future financing for acquisition and expansion of the 25.29 acre site, Craig Realty is forming a holding company, Citadel Holdings Group, LLC.

WHEREAS, the formation of the Citadel Holdings Group, LLC will result in Citadel Holdings Group, LLC becoming the sole member of Craig Realty and the current members of Craig Realty holding all of the interests in Citadel Holdings Group, LLC in the same manner as held in Craig Realty presently.

WHEREAS, the proposed assignment of the First Amendment will assign Craig Realty's interest under the First Amendment to Citadel Holdings Group, LLC. The assignment will result in the Successor Agency being in contract with Citadel Holdings Group, LLC, whose members/investors, financials, etc. is exactly the same as Craig Realty prior to the assignment.

NOW, THEREFORE, THE SUCCESSOR AGENCY DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The assignment from Craig Realty to Citadel Holdings Group, LLC of the First Amendment To Contingent Agreement To Purchase And Sell Real Estate and Escrow Instructions related to approximately 25.29 acres located in the City of Commerce hereby approved in substantially the form attached hereto.

***[Remainder of Page intentionally left blank. Signature page follow.]***

Section 2. The Successor Agency Chairperson is authorized to execute the assignment for and on behalf of the Successor Agency.

PASSED, APPROVED and ADOPTED this 16<sup>th</sup> day of October 2018.

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Hugo A. Argumedo  
Chairperson

ATTEST:

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Lena Shumway  
Secretary