

**DEPOSIT AND FUNDING AGREEMENT FOR SALE OF THE OPPORTUNITY SITE
BETWEEN THE CITY OF WEST COVINA AND SINGPOLI GROUP, LLC**

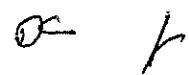
This Deposit and Funding Agreement ("Agreement") is between the City of West Covina, a municipal corporation ("City") and Singpoli BD Capital Group, LLC, a California limited liability company ("Developer"), as the assignee of the Letter of Intent dated May 23, 2019 by and between Singpoli Group, LLC and the City regarding the real property located in the City of West Covina commonly known as the Opportunity Site. This Agreement is effective on the date that this Deposit and Funding Agreement is fully executed by both the City and the Developer ("Effective Date").

Recitals

- A. Developer, as assignee, and City entered into a Letter of Intent to Purchase ("LOI") dated May 23, 2019 pursuant to City of West Covina City Council approval on March 5, 2019 regarding the real property comprised of seven (7) individual tracts of land, identified as Los Angeles County Assessor's Parcel Numbers 8735-001-919, 8735-001-920, 8735-001-921, 8735-001-931, 8735-002-906, 8735-002-909, and 8735-002-910, approximately 134 acres in area, located in the City of West Covina, CA ("Subject Properties").
- B. The parties have agreed to establish a Deposit Account for the disbursement of a Developer funded deposit to pay the costs of City legal fees, consultant costs, and staff time, not otherwise included in the entitlement application and processing fees charged by the City.
- C. The parties have agreed in the LOI to work diligently to enter into a purchase and sale agreement for the Opportunity Site and a sublicense agreement for 84 acres of land adjacent to the Opportunity Site.

Agreement

1. Opening of Deposit. Developer will deposit the amount of 3% of the Purchase Price (Four Hundred Five Thousand and 00/100 Dollars (\$405,000.00)) (the "Deposit Amount") into a Deposit Account with the City to fund monthly payments to City for City legal fees, consultant costs and staff time not otherwise included in the entitlement application and processing fees charged by the City (hereinafter "Developer Charges"). The full amount of the Deposit Amount shall be applicable towards the Purchase Price of the Subject Properties.



2. Documentation of City Costs. The City Finance Director will place the Deposit in a separate account (“Deposit Account”) and Community Development Department staff will provide to the Finance Department a monthly itemized billing of Developer Charges for the proposed project by the 20th day of the following month.
3. Submittal to Developer. Concurrently with the transmittal of the itemized billing to the Finance Department, City will send a copy to Developer for review and comment. Developer will have 15 days to dispute any billing entry, and should the parties agree that the disputed cost should not have been charged against the Deposit Amount, the disputed cost shall be deducted from the next billing cycle charges. City will make all reasonable efforts to meet with Developer within 5 days following notice from Developer to the City Manager, or his or her designee, to discuss and resolve any disputed Developer Charges.
4. Obligation for Further Funding. The parties agree that should the funds in the Deposit Account be reduced to the amount of Fifty Thousand and 00/100 Dollars (\$50,000.00) the City and Developer shall meet and confer within 10 business days to agree on an amount anticipated to fully fund all anticipated Developer Charges related to the sale of the property and Developer will deposit that additional amount into the Deposit account within 10 days of final determination of the necessary additional funding amount.

Disbursement Instructions

5. Purpose. The purpose of these Disbursement Instructions is to set forth a process for the transfer of the amount of Developer Charges due to the City, for costs incurred by the City related to Developer’s proposed project, from the Deposit Account to the City.
6. Obligations of City; Documentation of Costs. City will provide to the Finance Department an itemized billing of Developer Charges incurred by City by the 20th day of the month for the prior calendar months’ costs incurred by the City for activities related to development and entitlement of Developer’s proposed project, and concurrently transmit the same to Developer.
7. Obligations of the City Finance Department as the Deposit Holder.
 - a. Finance Department is authorized to make a disbursement of the amount billed by City for Developer Charges from the Deposit Account and shall make such payment to City within 10 calendar days of receipt of City’s billing for the prior month.
 - b. In the event that funds in the Deposit Account are reduced to \$50,000.00 or less after any disbursement to the City, the Finance Director shall notify both the City Community and Economic Development Manager and Developer of that fact within 5 days.



- c. Upon written notice from the City Manager, the Finance Director shall close the Deposit Account and transfer all remaining funds to the Escrow Account opened by the parties pursuant to an executed purchase and sale agreement for the purchase of the Opportunity Site from City by Developer, or in the alternative, release and refund any remaining deposit amount to Developer.
8. Obligations of Developer. If additional Deposit funds are required to be deposited in the Deposit Account, Developer will make such deposit within 10 days of written notification from City.
9. Notices. All notices to be given hereunder shall be in writing and mailed postage prepaid by certified or registered mail, return receipt requested, delivered by personal or courier delivery, or sent by nationally recognized overnight courier service to City's address and Developer's address below, or to such other place as designated in a written notice given to the other Party.

TO CITY:

City of West Covina
1444 West Garvey Ave. South, Room 305
West Covina, CA 91790
Attention: David Carmany, Interim City Manager
Telephone: (626) 939-8401
Email: DCarmany@westcovina.org

WITH A COPY TO:

City of West Covina
1444 West Garvey Ave. South, Room 305 West Covina, CA 91790
Attention: Scott Porter, City Attorney
Telephone: (714) 446-1400
Email: sep@jones-mayer.com

TO DEVELOPER:

Kin Hui, Manager
Singpoli BD Capital Group, LLC
25 E. Foothill Blvd.
Arcadia, CA 91006
Phone: (626) 566-1888
Fax: (626) 566-1887
Email: kinhui@singpoli.com




WITH A COPY TO:

Singpoli Group, LLC
25 E. Foothill Blvd.
Arcadia, CA 91006
Attention: Philip Kim, Attorney
Phone: (626) 566-1888
Fax: (626) 566-1887
Email: philipkim@singpoli.com

10. Amendment. These instructions may be amended upon the written approval of both parties, or by the written approval of the attorneys for each party.

The parties have executed this Deposit and Funding Agreement as of the dates written below.

City: CITY OF WEST COVINA, a municipal corporation

By:  _____
David Carmany, Interim City Manager

Dated: 6-27-19, 2019

Developer: Singpoli BD Capital Group, LLC

By:  _____
Kin Hui, Manager


Dated: 6/26, 2019

Approved as to Form:

ATTEST:



Scott E. Porter, City Attorney
City of West Covina

By:  _____
Carrie Gallagher, City Clerk
City of West Covina