

EXHIBIT 2

EXCLUSIVE NEGOTIATION AGREEMENT

This EXCLUSIVE NEGOTIATION AGREEMENT (this “**Agreement**”) is dated as of October __, 2020 and is by and between Meta Housing Corporation, located at 11150 W. Olympic Boulevard, Suite 620, Los Angeles, California 90064 (“**Meta**”) and the Housing Authority of the City of Glendale, having a business address of 141 N. Glendale Avenue, Suite 202, Glendale, California 91206 (“**Housing Authority**”).

RECITALS

A. The Housing Authority has issued a Request for Qualifications with a preliminary entitlements package prepared by KFA, LLP (“**KFA**”) for an 88-unit family rental project (“**RFQ**”) to develop affordable housing on Housing Authority-owned property at 900 E. Broadway Street in Glendale and described in the Legal Description attached to this Agreement as Exhibit “A” (“**Site**”).

B. In response to the RFQ, Meta submitted a qualification dated September 14, 2020 to ground lease the Site from the Housing Authority and develop the Site with 88 units of affordable rental housing for families consisting of 25 studios, 18 one-bedroom, 23 two-bedroom and 22 three-bedroom units with affordability restrictions between 30% to 60% of the Area Median Income, a pedestrian paseo, a one and a half-level subterranean parking structure and additional community space (“**Qualification**”). After careful review of all twelve submittals, representatives from the Housing Authority recommended Meta as one of the top three development teams to be further evaluated for consideration.

C. Through the RFQ process, the entitlements package was refined to eliminate all surface parking stalls and to provide all parking in two full subterranean levels, which allows for construction of five additional residential units, bringing the total unit count to 93 and the addition of approximately, 1,000 square feet of indoor community space, while reducing the building mass and bringing the courtyard to the level of the paseo as depicted in the Entitlements Package attached to this agreement as Exhibit “B” (collectively, “**Project**”). To help further evaluate the top three candidates, such candidates were interviewed and asked to respond to the entitlements package refinements. After careful review of the three candidates’ responses, representatives from the Housing Authority recommended Meta as the developer to negotiate with exclusively to develop the Project.

D. The Housing Authority, at its regularly scheduled hearing on October 27, 2020, voted to approve entering into an Exclusive Negotiation Agreement with Meta.

E. The Housing Authority and Meta wish to negotiate exclusively in order for the Housing Authority and Meta to reach agreement on the terms and conditions of an Affordable Housing Agreement (“**AHA**”) and for the Housing Authority and Meta to reach agreement on the terms and conditions of a ground lease and a shared parking agreement with 912-920 E. Broadway and 117 S. Belmont Street in Glendale (collectively, “**Ground Lease**”) which together will provide for the lease of the Site to Meta, and the design, financing, construction and operation of the Project.

F. This Exclusive Negotiation Agreement is in furtherance of the public purposes set forth in the Community Redevelopment Law of the State of California, Sections 33000 et seq. of the California Health and Safety Code (the “**Redevelopment Law**”) and the regulations governing the HOME Investment Partnerships Program of the United States Department of Housing and Urban Development (“**HOME Program**”).

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the Housing Authority and Meta agree as follows:

A. **Purpose**

1. The parties acknowledge and agree that this Agreement is for the sole purpose of setting forth the objectives of the parties and stating the intention of the parties to negotiate exclusively and, if their negotiations are successful, to enter into an AHA and Ground Lease, as applicable.

B. **Term**

1. The initial term of this Agreement shall expire one hundred twenty (120) calendar days from the date of this Agreement first set forth above (“**Term**”). Subject to the approval of the Housing Authority Executive Director or designee, the Term may be extended for a period not to exceed an additional ninety (90) calendar days upon Meta’s request. Any such extension shall be granted, if at all, in the sole and absolute discretion of the Housing Authority Executive Director or designee and upon such terms and conditions as the Executive Director or designee deems appropriate.

2. This Agreement shall terminate automatically at the end of the Term (as extended pursuant to the previous paragraph), unless prior to that date Meta executes and submits to the Housing Authority an AHA containing such provisions relating to the Project as the Housing Authority and Meta mutually agree are necessary or appropriate. If an AHA is so signed and submitted by Meta prior to the end of the Term, then this Agreement is extended for another 30 days from the date of such submittal to enable the

Housing Authority Board to determine whether it desires to enter into such an AHA and authorize the Housing Authority Executive Director to execute the AHA.

3. During the Term of this Agreement, the parties shall perform their obligations as set forth in this Agreement and shall negotiate diligently and in good faith. During the Term of this Agreement, the Housing Authority shall negotiate exclusively and in good faith with Meta concerning the rights and obligations of the parties respecting the development of the Site. During the Term, the Housing Authority shall not solicit or entertain offers or qualifications from other parties concerning the Site.

C. Negotiation of Affordable Housing Agreement

1. The Housing Authority and Meta shall negotiate the terms and conditions of a mutually acceptable AHA which shall provide for Meta's design, financing, construction, ownership and operation of the Project in order to provide for neighborhood revitalization and affordable rental housing for families.

2. The Project will be consistent with the description set forth in the Recitals above and in the Entitlements Package submitted by KFA and incorporated herein by this reference, subject to changes or revisions to the Project as mutually agreed to by the Housing Authority and Meta.

3. The AHA shall provide that Meta will be solely responsible for all development costs of the Project (except for the Housing Authority assistance, if any, to be negotiated during the Term of this Agreement). Meta acknowledges that neither the Housing Authority nor the City nor any of their officers, employees or agents have provided any direct or indirect information which in any way would indicate that the Project is or is not subject to the State of California's prevailing wage requirements.

4. The negotiations shall address, amongst other items, the form, amount and terms of financing for the Project; the proposed terms and conditions of the Ground Lease; the scope and schedule of development; possible mitigation and/or historic preservation measures during construction, and the affordability restrictions to be placed on the Project.

5. Meta shall provide the Housing Authority with a detailed financial analysis for the Project containing matters typically contained in such analyses, including without limitation, a detailed development cost budget, proposed rents and a detailed operating income and expense estimate. The financial analysis will be used to evidence the financial feasibility of the Project and to assist in the negotiation of terms regarding the financing of the Project. The analysis shall describe the proposed amount and uses of any financial assistance requested to be provided by the Housing Authority.

6. The AHA will include a sources and uses budget, which shall be based upon a financial pro forma that has been approved by the Housing Authority, and a feasible method of financing, reasonably demonstrating to the Housing Authority the availability of all funds needed to complete the development of the Project. The AHA shall require the submittal of documentation of all proposed property acquisition and construction loans and owner equity needed to carry out the proposed financing. Meta agrees to make continuing full disclosure to Housing Authority of its proposed methods of financing the Project, including the financing of any off-site improvements that are required to obtain the necessary entitlements for the Project.

7. The AHA will set forth the terms and conditions of the Housing Authority's financial assistance, if any, including repayment terms, security for the Housing Authority loans and priority in relation to other Project financing.

8. The Housing Authority will have the right to reasonably approve Meta's selection of the General Contractor, architect, construction lender, permanent loan lender, Tax Credit investor, relocation consultant, Davis Bacon Wage Compliance consultant and other lenders, consultants and service providers. The Housing Authority will also have the right to review and approve any and all contracts and agreements with such entities for the Project.

9. During the negotiations, Meta agrees to make full disclosure to the Housing Authority of all pertinent information in its possession or under its control concerning Meta, the Site and the Project.

10. If the negotiations hereunder culminate in an AHA, Meta, at its sole cost and expense, shall comply with the requirements of all relocation laws applicable to the Project, including, but not limited to, the Uniform Relocation Act and the California Relocation Assistance Act, and shall comply with related tenant notice requirements and shall provide the Housing Authority with true and correct copies of such notices to tenants, if any. Meta shall also retain all required records and the originals and/or copies of any tenant notices in its files as mandated by applicable law.

11. The AHA shall contain such other provisions as may be customary in Housing Authority agreements and such other provisions as the Housing Authority and Meta shall determine to be necessary or appropriate to implement the proposed Project.

12. If the negotiations hereunder culminate in an AHA, such an agreement becomes effective only after and if the AHA has been duly executed by Meta, has been considered and approved by the Housing Authority after public hearing and has been duly executed by the Housing Authority. The Housing Authority shall reasonably cooperate with Meta in order to enable Meta to meet its deadlines; however, neither the Housing Authority nor the City is obligated to expedite any reviews, approvals, notices, meetings

or other matters, and nothing contained in this Agreement shall be construed to limit the Housing Authority's or the City's discretion in their activities in connection with the Project.

13. The Housing Authority reserves final discretion and approval as to the AHA and all proceedings and decisions in connection therewith. This Agreement shall not be construed as a commitment of funds or a grant of development rights or land use entitlements to construct the proposed Project. By its execution of this Agreement, the Housing Authority is not committing itself to or agreeing to perform any acts or activities that require the subsequent independent exercise of discretion by the Housing Authority, the City of Glendale or any agency or department thereof. Execution of this Agreement by the parties is merely an agreement to conduct a period of exclusive negotiations and to prepare recommendations to the Housing Authority Board in accordance with the terms hereof, reserving for subsequent Housing Authority action the final discretion and approval regarding the execution of an AHA and all proceedings and decisions in connection therewith. Any AHA resulting from negotiations pursuant to this Agreement shall become effective only if and after consideration and approval by the Agency Board following performance of all legally required procedures. Each party assumes the risk that, notwithstanding this Agreement and good faith negotiations, the Housing Authority and Meta may not enter into an AHA due to their failure to agree upon essential terms of a transaction or a decision by the Housing Authority Board not to authorize execution of an AHA.

D. Negotiation of Ground Lease

1. The Housing Authority and Meta shall negotiate the terms and conditions of a mutually acceptable Ground Lease which shall provide for Meta's leasing of the Site for a period of not less than sixty-five (65) years for the purpose of developing and operating the Project in conformance with the terms of the AHA.

2. The Ground Lease or related agreement between the Housing Authority and Meta shall provide for Meta's construction of a parking structure pursuant to plans approved by the Housing Authority and the City and the terms under which the use of the parking structure will be shared by 912-920 E. Broadway and 117 S. Belmont Street in Glendale and the Project.

3. The final form of the Ground Lease, financing agreements and other documents and instruments to be entered into by and between Meta and 912-920 E. Broadway and 117 S. Belmont Street in Glendale shall be subject to the reasonable approval of the Housing Authority and Meta.

E. Site Investigations and Due Diligence

1. Meta shall be solely responsible for all necessary testing of the Site for hazardous materials pursuant to all applicable laws, statutes, rules and regulations. Meta shall also be responsible for making the Site usable for the Project as a result of any Site conditions including, without limitation, flood zones, Alquist-Priolo Earthquake Fault Zoning Act, and similar matters. Any studies and reports generated by Meta's testing for hazardous materials shall be made available to the Housing Authority without representation or warranty. Each party will deliver to the other parties to this Agreement all reports within their possession or under their control regarding hazardous materials relating to the Site. During the Term of this Agreement, the Housing Authority shall deliver without representation or warranty any existing information, studies, reports, site and construction plans or other documents in the Housing Authority's possession which Meta may reasonably request to facilitate the Project design without cost or expense to Meta. The Housing Authority shall endeavor to deliver such material within ten (10) days of receipt of written request.

2. During the Term of this Agreement, Meta shall have the right to examine, inspect and investigate the Site and to determine whether the Site is acceptable to Meta, which right shall be subject to terms and conditions reasonably imposed by the Housing Authority.

3. From time-to-time as requested by Housing Authority, but not less often than monthly, Meta agrees to make oral and written progress reports advising Housing Authority on all matters related to the development of the Project, including financial feasibility analyses, construction cost estimates, marketing studies, and similar due diligence matters.

4. The Housing Authority reserves the right, during the Term of this Agreement, to request reasonable additional information and data from Meta it considers necessary for review and evaluation of the Site and the Project, which shall be provided in a timely manner. All information regarding Meta's business practice which may be provided to the Housing Authority shall remain confidential to the extent permissible by law including, without limitation, the California Public Records Act. If the Housing Authority at the request of Meta is required to defend an action under the California Public Records Act with regard to a request for disclosure of any of the documents or reports related to the Project, the party requesting such defense agrees to defend and indemnify the Housing Authority and City from all costs and expenses of such defense, including reasonable attorneys fees arising out of such action.

F. **General Provisions**

1. Except as otherwise may be mutually agreed to in writing by the parties, neither the Housing Authority nor the City shall be liable for any costs and expenses

associated with the preparation of any reports to be prepared by Meta or the planning or development of the Site pursuant to or arising from this Agreement.

2. The Housing Authority shall not be liable for any real estate commissions or brokerage fees related to the Site or the Project. The Housing Authority and Meta each represents it has not engaged a broker, agent or finder in connection with this transaction. Meta agrees to defend, hold harmless and indemnify the Housing Authority and the City from any claim by any broker, agent or finder retained, or claimed to have been retained, by Meta.

3. Meta understands the Housing Authority are entering into this Agreement based on the experience and qualifications of Meta and of the key individuals representing or employed by Meta as of the date of this Agreement. Therefore, Meta shall not assign, sell or otherwise transfer any or all of its rights under this Agreement, or interest herein, without the prior written approval of the Housing Authority. Further, no voluntary or involuntary successor in interest of Meta shall acquire any rights or powers under this Agreement except as expressly set forth herein. For the reasons cited herein, Meta represents and agrees for itself and any successor in interest that prior to the expiration of the Term, and without the prior written approval of the Housing Authority, there shall be no significant change in the management or control of Meta or with respect to the identity of the parties in control of Meta, by any method or means. Meta shall promptly notify the Housing Authority of all changes whatsoever in the identity of the parties in control of or exercising the management of Meta, or the degree of control or management, of which it or any of its officers have been notified or otherwise have knowledge or information. This Agreement may be terminated by the Housing Authority if there is any significant change (voluntary or involuntary) in membership, management or control, of Meta, or the persons in control of Meta, prior to the expiration of the Term. For purposes of this paragraph, a significant change shall mean any change in the identity of the Executive Director or any other person or persons having ultimate control over the day to day management of Meta or the appointment of a receiver or trustee to operate or exercise direct or indirect control over any portion of or interest in Meta. Periodic, routine changes in board membership that cumulatively affect less than 50% of the membership of the Board shall not be considered a "significant change". This Agreement may not be assigned by Meta without the express prior written consent of the Housing Authority. If, except as provided in this paragraph, there is an assignment of this Agreement, or change in the management or control of Meta which the Housing Authority does not approve, the Housing Authority may take such reasonable action as the Housing Authority may deem appropriate including, without limiting the generality of the foregoing, terminating this Agreement and exercising any other rights of the Housing Authority.

4. Meta anticipates that it will form a limited partnership for the purpose of developing the Project and obtaining low income housing tax credit investor equity. The

entities comprising the partnership or the general partners, the individuals serving as officers and directors of those entities and the form of the limited partnership agreement(s) will be subject to the Housing Authority's reasonable approval.

5. The AHA and the Ground Lease shall be subject to the approval of the governing bodies of the Housing Authority, respectively. The Housing Authority and Meta expressly acknowledge and agree they do not intend, by their execution of this Agreement, to benefit any persons or entities not signatory to this Agreement, including, without limitation, any brokers representing the parties to this transaction. No person or entity not a signatory to this Agreement shall have any rights or causes of action against any of the parties hereto arising out of or due to such party's entry into this Agreement.

6. If, upon the expiration of the Term of this Agreement, the Parties have not each approved and executed an AHA, then this Agreement shall automatically terminate and Meta shall have no further rights regarding the subject matter of this Agreement or all or any part of the Site and the Housing Authority shall be free to negotiate with any other persons or entities with regard to all or any part of the Site.

7. Any party may terminate this Agreement prior to the expiration of the Term if one or both of the other parties fails to negotiate in good faith. The party seeking to terminate this Agreement shall first provide written notice to the other parties, stating the facts on which the party seeking to terminate is basing its contention that one or both of the other parties has failed to negotiate in good faith, and providing a reasonable time, but not less than ten (10) days, to correct the matter.

8. In the event of an uncured default under this Agreement, the sole remedy of the non-defaulting party shall be to terminate this Agreement. Following such termination, no party shall have any further rights, remedies or obligations under this Agreement. No party shall have any liability to the other for monetary damages or specific performance for the breach of this Agreement, or failure to reach agreement on an AHA, and each party hereby waives and releases any such rights or claims it may otherwise have at law or at equity.

9. Any notice personally delivered (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service), shall be deemed received on the documented date of receipt; and any notice that is sent by registered or certified mail, postage prepaid, return-receipt requested shall be deemed received on the date of receipt thereof.

If to the Housing Authority:

The Housing Authority of the City of Glendale
141 North Glendale Avenue, Suite 202
Glendale, California 91206
Attn: Executive Director
(Facsimile: (818) 548-3724)

If to Meta: Meta Housing Corporation
11150 W. Olympic Boulevard, Suite 620
Los Angeles, California 90064
Attn: John M. Huskey
(Facsimile:(310) 575-3563)

10. No member, official, or employee of the Housing Authority or the City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is, directly or indirectly, interested. Meta warrants that it has not paid or given, and will not pay or give, directly or indirectly, any Housing Authority or City employee or official any money or other consideration at all, whether or not connected in any way with the subject matter of this Agreement. Further, Meta warrants that it has no knowledge of any financial interest of any Housing Authority or City employee or official in Meta, directly or indirectly, or in any person or entity affiliated with Meta, or in any transaction in which Meta has been involved.

11. This Agreement shall not obligate any party to enter into any particular agreement. The parties do not intend this Agreement to be a purchase agreement, ground lease, license, option or similar contract. Nor do the parties intend to be bound in any way by this Agreement except during the Term of this Agreement and then only as expressly set forth herein. By execution of this Agreement, the Housing Authority is not committing itself to or agreeing to undertake acquisition, disposition, or exercise of control over any portion of the Site nor is Meta committing itself to undertake the acquisition of any portion of the Site or the development, financing or construction of the Project.

12. This Agreement may be executed in counterparts, each of which when so executed shall be deemed an original, and all of which, when taken together, shall constitute but one and the same instrument.

13. This Agreement represents the entire agreement of the parties hereto and integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements, oral or written, between the parties with respect to development of the Site.

14. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the party to be charged, and all amendments and modifications hereto must be in writing and signed by the appropriate authorities of the parties. Except as otherwise expressly provided in this Agreement, any failure or delay by any party in asserting any of its rights or remedies as to any default shall not operate as a waiver of said default or of any rights or remedies in connection therewith or of any subsequent default or any rights or remedies in connection therewith, or deprive such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

15. This Agreement and the legal relations between the parties shall be governed by, interpreted under, construed and enforced in accordance with, the internal laws of the State of California without reference to the rules governing the conflict of laws. This Agreement is made and entered into in the County of Los Angeles, California, and any legal actions or proceedings arising from or related to this Agreement shall be brought in the County of Los Angeles.

16. The parties in no way intend for this Agreement to give rise to or create any relationship of partnership, joint venture, or any other form of association of any kind or nature between any of them.

17. This Agreement is in all respects intended by each party hereto to be deemed and construed to have been jointly prepared by the parties and the parties hereby expressly agree that any uncertainty or ambiguity existing herein shall not be interpreted against either of them. Except as expressly limited by this paragraph, all of the applicable rules of interpretation of contracts shall govern the interpretation of any uncertainty or ambiguity of this Agreement.

18. The headings and captions of the various sections and paragraphs of this Agreement have been inserted only for the purpose of convenience and are not a part of this Agreement and shall not be deemed in any manner to modify, explain, expand or restrict any of the provisions of this Agreement.

19. Every provision of this Agreement is intended to be severable. If any provision of this Agreement or the application of any provision hereof to any party or circumstance is declared to be illegal, invalid or unenforceable for any reason whatsoever by a court of competent jurisdiction, such invalidity shall not affect the other terms and provisions hereof or the application of the provision in question to any other party or circumstance, all of which shall continue in full force and effect.

20. Meta warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement.

21. No member, official, officer, or employee of a party to this Agreement shall be personally liable to any other party to this Agreement, or any successor in interest to such party, in the event of any default or breach or for any amount which may become due to such party or to its successor, or on any obligations under the terms of this Agreement.

22. Each party to this Agreement covenants and agrees that it will not discriminate against any employees or applicants for employment because of race, color, religion, creed, national origin, ancestry, sex, sexual orientation, age, disability, medical condition, or marital status.

23. Meta hereby consents to the use by the Housing Authority and City of images of the Project, its models, plans and other graphical representations of the Project and its various elements ("**Project Images**") in connection with marketing, public relations, and special events, websites, presentations, and other uses required by the Housing Authority and/or City in connection with the Project. Such right to use the Project Images shall not be assignable by the Housing Authority or City to any other party (including, without limitation, any private party) without the prior written consent of Meta. Use by Housing Authority and City of Project Images, Meta's name or the names of their affiliates will be subject to prior approval, which shall not be unreasonably withheld or delayed. For any Project Images provided to Housing Authority and City by Meta, such party shall use reasonable efforts to obtain any rights and/or consents from any third parties necessary to provide these Project Image use rights to Housing Authority and City. In the event that the Housing Authority and Meta enter into an AHA, the Housing Authority's right to use the Project Images shall be as set forth in the AHA.

[Signatures appear on following page.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the dates set forth opposite their signatures below.

HOUSING AUTHORITY OF THE CITY OF GLENDALE,
a public body, corporate and politic

Dated: _____

By: _____

Roubik Golanian
Interim Executive Director

APPROVED AS TO FORM AND LEGALITY:

Michael Garcia, City Attorney
General Counsel to the Authority

By: _____

Michael J. Garcia

META HOUSING CORPORATION,
a California corporation

Dated: _____

By: _____

John M. Huskey
President

EXHIBIT "A"
LEGAL DESCRIPTION OF PROPERTY

META ENA

10/__/2020

EXHIBIT "B"
ENTITLEMENTS PACKAGE