

**HOUSING ASSISTANCE AGREEMENT BETWEEN THE CITY OF MANHATTAN
BEACH AND DAVID CARMANY AND LAURA CARMANY**

THIS HOUSING ASSISTANCE AGREEMENT BETWEEN THE CITY OF MANHATTAN BEACH AND DAVID CARMANY and LAURA CARMANY (this "Agreement") is dated as of January 26, 2011 and is entered into by and between the CITY OF MANHATTAN BEACH, a municipal corporation ("City"), and DAVID CARMANY and LAURA CARMANY (collectively, "Employee"). The City and the Employee are sometimes individually referred to herein as a "Party".

RECITALS:

WHEREAS, City and Employee have entered into an "Employment Agreement Between the City of Manhattan Beach and David Carmany" (the "Employment Agreement"); and

WHEREAS, Section 4.B(15) of the Employment Agreement provides that if Employee chooses to purchase property within the City of Manhattan Beach as his primary residence, and the property purchased is valued at no more than \$1.2 million, then City will provide housing assistance to Employee through a joint purchase arrangement and a market rate housing loan from the City, subject to terms negotiated in good faith between the parties; and

WHEREAS, Employee has entered into a purchase agreement for a home at 2913 Pacific Avenue in Manhattan Beach, California ("Property") for a purchase price of \$1,015,000 (the "Purchase Price"); and

WHEREAS, this Agreement reflects the joint purchase arrangement and housing loan negotiated by City and Employee.

AGREEMENT:

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements herein contained, the parties hereto hereby agree as follows:

1. Housing Assistance.

(a) Joint Purchase Arrangement. City and Employee will each pay \$108,000 of the \$1,080,000 purchase price and one half of the buyer's closing costs (if any) for the purchase of the Property. City and Employee shall each own a fifty percent (50%) tenancy-in-common interest in the home, and the deed shall reflect such ownership.

Prior to the close of escrow, City and Employee shall execute and deliver a tenancy-in-common agreement in the form attached hereto as Exhibit "A".

Equity of \$65,000 (the "Additional Equity") will be paid by the escrow holder at the closing to the City for disbursement by City to Employee after the purchase of the Property to pay for documented costs of repairs, alterations and improvements to the Property. City payments of the Additional Equity shall be made on a monthly basis for six months after the purchase of the Property. Each disbursement of such funds by the City and application to

improvement costs shall constitute a further contribution of equity by each Party of fifty percent (50%) of the amount so applied. The City's disbursements will be conditioned upon receipt of copies of invoices and appropriate mechanics lien releases. Any portion of the Additional Equity that has not been disbursed within the six month period shall be divided equally between City and Employee.

(b) Housing Loan. City will also make a purchase money loan secured by a first priority lien on the Property (as shown by lender's title insurance issued to City) in an amount equal to \$864,000.

The loan shall have an interest rate equal to 5%. The loan will mature upon the earliest of: (i) six (6) months after David Carmany's employment by City ends for any reason; (ii) thirty (30) years from the date of the purchase and loan; or (iii) the sale or transfer of Employee's interest in the home. Monthly payments on the loan will be interest only (\$3,600) for the first five (5) years, then a monthly amount necessary to repay all outstanding principal and interest over the remaining twenty-five (25) years in equal monthly installments.

The loan documents shall be substantially in the form of the documents attached hereto as Exhibit "B".

2. Miscellaneous.

(a) Governing Law. This Agreement shall be interpreted, construed and enforced in accordance with the laws of California.

(b) Entire Agreement. This Agreement contains the entire agreement between the Parties with respect to the subject matter hereof. No modifications or changes herein or hereof shall be binding upon any party unless set forth in a document duly executed by, or on behalf of, such party.

(c) Waiver. No consent or waiver, express or implied, by any party to or of any breach or default by any other party in performance by such other party of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other party of the same or any other obligations of such other party hereunder. Failure on the part of any party to complain of any act or failure to act of any other party or to declare any other party in default, irrespective of how long such failure continues, shall not constitute a waiver by such party of its rights hereunder.

(d) Successors and Assigns. Subject to the restrictions on transfers and encumbrances set forth herein, this Agreement shall inure to the benefit of and be binding upon the undersigned Parties and their respective successors and permitted assigns.

(e) Notices. All notices, requests, demands and other communication given or required to be given hereunder shall be in writing and personally delivered, sent by first class certified mail, postage prepaid, return receipt requested, or sent overnight by a nationally recognized courier service such as Federal Express, addressed to the parties as follows:

To City: City Clerk
City of Manhattan Beach
1400 Highland Avenue
Manhattan Beach, California 90266

To Employee: Mr. David Carmany
at the most recent address on file in Employee's
personnel file held by City's Human Resources Department

Delivery of any notice or other communication hereunder shall be deemed made on the date of actual delivery thereof to the address of the addressee, if personally delivered, and on the date indicated in the return receipt or courier's records as the date of delivery or as the date of first attempted delivery, if sent by certified mail or courier service. Any party may change its address for purposes of this Section by giving notice to the other party as herein provided.

(f) Counterparts. This Agreement may be executed by facsimile and in one or more counterparts, all of which taken together shall be deemed to be one original.

(g) Time of Essence. Time is of the essence of each and every provision of this Agreement.

(h) No Partnership or Agency. Neither this Agreement nor the operation of the Property shall cause the Parties to be partners or joint venturers, and no Party shall have the authority to bind, or shall otherwise be, an agent for any other Party with respect to a party's ownership interest in this Property.

(i) City Actions. Neither the City's execution of this Agreement nor any consent or approval given by City hereunder in its capacity as an Owner shall waive, abridge, impair or otherwise affect the City's rights and powers as a governmental entity.

IN WITNESS WHEREOF, this Agreement is executed effective as of the date first set forth above.

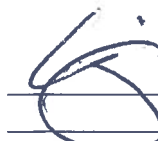
CITY:

CITY OF MANHATTAN BEACH,
a municipal corporation

By: _____

Richard Montgomery
Mayor

ATTEST:



City Clerk

1-31-11



Approved as to Form:



Bruce Galloway of Richards,
Watson & Gershon, counsel to City

EMPLOYEE:



David Carmany



Laura Carmany