

APPROVED
JUN 09 2020

**BOARD OF RECREATION
AND PARK COMMISSIONERS**

BOARD REPORT

NO. 20-095

DATE June 9, 2020

C.D. 6

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: 12515, 12519, 12527 SHELDON STREET – REQUEST FINAL AUTHORIZATION AND APPROVAL OF PURCHASE AND SALE AGREEMENT, AND ALLOCATION OF FUNDS TO ACQUIRE PROPERTY FOR EXPANSION AND/OR DEVELOPMENT OF PARK AND DEMOLITION OF BUILDINGS; CATEGORICAL EXEMPTION FROM THE PROVISIONS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO ARTICLE III, SECTION 1, CLASS 3(6) [CONSTRUCTION OF ACCESSORY STRUCTURES TO EXISTING FACILITIES] AND CLASS 25 [TRANSFER OF OWNERSHIP IN ORDER TO PRESERVE OPEN SPACE] OF CITY CEQA GUIDELINES AS WELL AS TO ARTICLE 19, SECTION 15303(e) AND 15325(f) OF CALIFORNIA CEQA GUIDELINES

AP Diaz	_____	S. Piña-Cortez	_____
H. Fujita	_____	C. Santo Domingo	_____ <i>DF</i>
V. Israel	_____	N. Williams	_____


General Manager

Approved X Disapproved _____ Withdrawn _____
As Amended

RECOMMENDATIONS

1. Authorize Department of Recreation and Parks (RAP) Staff to coordinate acquisition activities with the Department of General Services (GSD), Department of Public Works (DPW), Bureau of Engineering (BOE), Proposition K (Prop K) Steering Committee and other necessary entities in order to obtain the necessary environmental, and funding clearances and approvals in order to expedite the purchase of two (2) parcels for the development as a Roller (Hockey) Rink as part of the Southeast Valley Roller (Hockey) Rink and Skateboard Park overall Proposition K specified SE VALLEY project scope (Council File (C.F.) No.10-0675);
2. Authorize RAP Staff to finalize negotiations for the acquisitions of the two (2) County of Los Angeles Assessors' Parcels identified by the following Assessor Parcel Numbers (APNs): 2634-006-040 and 2634-006-041, formerly APNs: 2634-006-035 and 2634-006-013 respectively, and also identified as 12515, 12519, 12527 Sheldon Street, Roller (Hockey) Rink – the subject property (see Exhibit A-1 and A-2);

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3. Adopt the proposed Proposition K - L.A. for Kids Steering Committee Report recommendation of April 16, 2020, and the City Council action (C.F. No. 20-0459) of June 2, 2020 and prior and subsequent City Council actions relative to this Report to take the necessary actions to acquire the property at 12515, 12519 and 12527 Sheldon Street as part of the Roller Rink component of the "Southeast Valley Roller Rink and Skateboard Park" project property;
4. Adopt the Resolution, substantially in the form on file in the Board of Recreation and Park Commissioners (Board) Office and attached to this Report as Attachment 1, authorizing staff to request the assistance of GSD and other City entities, per Charter Section 594(a) and (b), in obtaining fee title to two (2) privately owned parcels consisting of approximately 0.911 acre or 43,200 square feet, (sf) with the street address of 12515, 12519 and 12527 Sheldon Street, Sun Valley, California 91352; identified as APNs 2634-006-040 and 2634-006-041 (Parcels 040 and 041, respectively) – collectively known as the "Property";
5. Approve a proposed Purchase and Sale Agreement (PSA), substantially in the form on file in the Board Office and attached as Attachment 2 to this Report, for the acquisition of the Property for a purchase price of Four Million Seven Hundred Fifty Thousand Dollars (\$4,750,000.00), subject to the approval of the City Attorney as to form; and subject to confirmation from RAP staff, GSD, City Administrative Office (CAO), Chief Legislative Analyst (CLA), and Prop K Staff (City Staff) that all required Board preliminary conditions of approval (as previously set forth in Board Report No. 20-075) have been satisfied, and any other City conditions in the PSA required to close the acquisition of the Property have been satisfied or waived;
6. Direct the Board Secretary to transmit forthwith the proposed PSA to the City Attorney for review and approval as to form;
7. Authorize GSD, DPW, and RAP's Chief Accounting Employee to make technical corrections as necessary to establish the necessary accounts in order to acquire the subject Property, and to accept and transfer the necessary monies to fund the acquisition to the appropriate City Department accounts or escrow company account in order to expeditiously acquire the Property as intended by the City Council, C.F. No. 20-0459 and subject to the Mayor's concurrence;
8. Determine that the Project, consisting of the acquisition of the subject Property with the intent to preserve open space for park purposes, is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article III, Section 1, Class 3(6) [Construction of accessory structures to existing facilities] and Class 25 [Transfer of ownership in order to preserve open space] of City CEQA Guidelines as well as to Article 19, Section 15303(e) And 15325(f) Of California CEQA Guidelines
9. Authorize RAP's Chief Accounting Employee to prepare a check to the Los Angeles County Clerk in the amount of \$75.00 for the purpose of filing a Notice of Exemption (NOE) using Sites and Facilities (Fund No. 209, Dept. No. 88 and APPR Account No. 88SMGM) for Prop K cash flow account;

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10. Authorize RAP's Chief Accounting Employee to process the initial escrow deposit of Fifty Thousand Dollars (\$50,000.00) using Sites and Facilities (Fund No. 209, Dept. No. 88 and APPR Account No. 88SMGM) for Prop K cash flow account;
11. Authorize the Board President and Secretary to execute the PSA and related escrow instructions upon receipt of the necessary approvals; ~~and~~,
12. Direct the Board Secretary to accept the grant deed to the Property, which is to be set apart and dedicated as park property in perpetuity;
13. Amend the PSA to require the removal of all solid waste and debris by the seller prior to the close of escrow; and
14. Direct staff to conduct further environmental assessment of the Property following the removal of all solid waste and debris but prior to the close of escrow and report back to the Board with any findings of such assessments .

SUMMARY

History of Southeast Valley Roller (Hockey) Rink and Skateboard Park Project; Phase I – Five (5) Parcel acquisition for Skateboard Park and Phase II – Two (2) parcel acquisition for Roller Hockey Rink Park:

The 1997 Proposition K Ballot Measure designated \$4 million in specified funding for a regional project that includes the acquisition and construction of a roller hockey rink and skateboard park in the Southeast San Fernando Valley (SE Valley). The Office of Council District 6 (CD 6) had proposed utilizing \$2 million of the Prop K specified award along with other potential funding, to acquire and develop a site into a skateboard park located at 12477 - 12511 Sheldon Street. The balance of \$2 million in Prop K specified funds would be reserved to accomplish the remaining scope for acquisition and development of a roller (hockey) rink. The Prop K Specified project was dependent on the identification of possible sites for the acquisition and development of a park which evolved into a two phased project consisting of a five (5) parcel acquisition and two (2) parcel acquisition.

Phase I Acquisition

On March 3, 2010, the preliminarily approved the five (5) parcel property acquisition located at 12477 - 12511 Sheldon Street totaling 2.11 acres or 94,875 sf in the Sun Valley community (Report No. 10-055).

On May 14, 2010, City Council approved in concept proceeding with the proposed Skate Park component of the overall "Proposition K Specified SE VALLEY" project scope (C.F. No.10-0675).

On November 19, 2010, City Council adopted the Proposition K - L.A. For Kids Steering Committee recommendations that the Board direct RAP staff to take the necessary actions to acquire the property located at 12477 - 12511 Sheldon Street for the Skate Park of the "Southeast

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Valley Roller (Hockey) Rink and Skateboard Park” Project; a five (5) parcel Skate Park acquisition using Prop K and Proposition 40 monies.

On December 8, 2010, the Board, through Report No. 10-330, granted final approval for the acquisition of the five (5) Parcel property for the “Skateboard Park” component of the “Southeast Valley Roller (Hockey) Rink and Skateboard Park” Project. The acquisition was completed on January 3, 2011. This completed the Phase I of the Project. The five (5) Parcel property has been developed into a skateboard park.

Phase II Acquisition

On September 7, 2011, the Board, through Report No. 11-240, granted preliminary approval to acquire parcel 041 of the subject Property. However, title and environmental concerns with parcel 041 (and later parcel 040) delayed and caused the postponement of the acquisition of the two (2) parcels.

On May 7, 2020, the Board, through Report No. 20-075, granted preliminary authority to proceed with the acquisition of Parcels 040 and 041 which constitute the subject Property.

On April 22, 2020, City Council adopted the amended City Council motion relative to following: The 2019-20 Fourth CPR Addendum (C.F. No. 19-0926-S3) included a recommendation for a cash flow account for \$100,000.00 in Sites and Facilities for the acquisition of the Property to be repaid by the Prop K funding in the Assessment Report.

On May 5, 2020, City Council adopted the following relative to the “Southeast Valley Roller (Hockey) Rink and Skateboard Board Park” project: The 2020-21 Prop K Assessment Report (C.F. No. 19-1006) included recommendations for the Southeast Valley Acquisition - \$1,636,769 in Inflation funds, \$1,576,567 in GAP funds, and \$1,786,664 in Specified Funding for a total of \$5 million.

On June 2, 2020, City Council adopted the following relative to the “Southeast Valley Roller (Hockey) Rink and Skateboard Park” project (C.F. No. 20-0459). It authorized the expenditure of up to \$5,000,000 in Prop K funds (Specified Funding, GAP and Inflation funds) and recommended to the Board that RAP proceed with the acquisition of the 2-parcel Roller (Hockey) Rink – the subject Property- using the Prop K funds so identified. Also indicated on the related CAO Report, approximately \$1,700,000 in Prop K funds will remain available for the development of the Roller (Hockey) Rink. The proposed subject property acquisition site is large enough to meet the standard for a Neighborhood Park, as defined by the City’s Public Recreation Plan. The intent is to develop the site into a new park. The new park will provide additional park space in the area and will help meet the needs of the community by providing new programs and services. There is strong support from CD 6 for this project.

It should be noted that Report No. 20-075 identified that the parcels intended for acquisition were subject to several liens related to unpaid taxes and that there were several listings of unpaid taxes in the Title Report. GSD has informed RAP staff that they are aware of these issues and had indicated that these will be resolved during the escrow process of the Property acquisition.

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The seller of the Property and City have come to an agreement on the terms and conditions for purchase of the two (2) parcels which have been incorporated in the draft Purchase and Sale Agreement (PSA) attached as Attachment 2 to this Report. The PSA includes a provision that requires the seller to settle and remove all the liens and other title issues, as well as, remove all solid waste and debris identified in the Phase I Environmental Site Assessment report prior to the close of escrow. The removal of the solid waste and debris is discussed in more details under the Environmental Impact section below.

Funding Sources

Funding for the acquisition of the subject Property will come from the following Prop K funds: Specified (\$1,786,664), GAP (\$1,576,567) and Inflation (\$1,636,765) as approved by City Council on June 2, 2020. Per the CAO, CLA, and Prop K Staff, there is sufficient project funding available through Prop K to pay for all acquisition related costs such as appraisals, Phase I Environmental Site Assessment/and or additional environmental site assessment, escrow closing costs, site preparation, security of the site, and demolition of existing buildings.

Acquisition Cost

The cost of the proposed acquisition of the subject Property - as recommended by GSD is \$4,750,000.00. There is also \$27,653.28 in liens for unpaid taxes as of January 13, 2020, which is subject to payment by the seller of the Property. A Class "A" appraisal was completed on February 21, 2020, and concluded that the market value was \$4,720,000.00 as of January 13, 2020. GSD met with the owner and negotiated a final purchase price of \$4,750,000.00. GSD considers this an acceptable acquisition price for the property and recommends approval of this acquisition.

ENVIRONMENTAL IMPACT

Contamination Assessment of Property

A Phase I Environmental Site Assessment (ESA) for possible contamination on the subject Property was completed on April 15, 2020 in conformance with the scope and limitations of American Society for Testing and Materials (ASTM) Standard Practice E1527-13 and the Environmental Protection Agency Standards and Practices for All Appropriate Inquiries (40 CFR Part 312). The ESA report indicated that there are no recognized environmental conditions in connection with the subject property. However, the consultant noted the presence of debris, illegally dumped waste, storage of heavy good vehicles, and containers of motor oil and fuel cleaner. While no further environmental assessment is warranted at this time, the consultant recommended that prior to property transfer the solid waste be removed from the property and a pre-acquisition inspection should be completed. Upon completion of inspection, GSD shall report in writing that all debris, vehicles, and containers have been removed from the Property. Therefore, there are no recognized environmental conditions on the Property that would pose an impediment to its acquisition.

However, the Phase I ESA did not include a building survey for lead and asbestos. A comprehensive pre-demolition survey for lead and asbestos will be required prior to demolition.

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A comprehensive survey will also inform as to whether abatement measures will be necessary prior to or as part of demolition activities.

CEQA Review of Project

The proposed Project consists of the acquisition of the subject Property with the intent to preserve open space for park purposes and to construct accessory structures to an existing facility. As such, staff recommends that the Board determines that the Project is categorically exempt from the provisions of CEQA, pursuant to Article III, Section 1, Class 3(6) and Class 25 of City CEQA Guidelines, as well as to Article 19, Section 15303(e) and 15325(f) of California CEQA Guidelines. An NOE will be filed with the Los Angeles County Clerk upon the Board's approval of this Report.

The completion of the acquisition shall be subject to confirmation by CAO/CLA/Prop K/GSD staff as it relates to the completion/satisfaction of conditions A through H identified in Recommendation 4 of Report No. 20-075.

FISCAL IMPACT

The acquisition of the two (2) parcels will not affect RAP's General Fund as there are sufficient Prop K funds, as discussed earlier in the Report, to complete the acquisition. Maintenance funds for the new parkland will be requested as part of the RAP's annual budget process. After RAP plans the new development scope, staffing needs will be assessed.

STRATEGIC PLAN INITIATIVES AND GOALS

Approval of this Board Report advances RAP's Strategic Plan by supporting:

Goal No. 1: Provide Safe and Accessible Parks

Outcome No. 1: Every Angelinos has walkable access to a park in their neighborhood

Result: Offer Affordable, Equitable, Healthy, and Social Recreational Programming for young and older Skateboarding Angelinos.

This Report was jointly prepared by John Barraza, Management Analyst II, and Cid Macaraeg, Sr. Management Analyst II, of the Real Estate and Asset Management Unit, Planning, Maintenance and Construction Branch.

List of Attachments

Attachment 1 Resolution

Attachment 2 Purchase and Sale Agreement

Attachment 3 Exhibit A-1 (the Acquisition Property)

Attachment 4 Exhibit A-2 (Phase I Acquisition)

Attachment 1

RESOLUTION NO. _____

WHEREAS, the 1997 Proposition K (Prop K) Ballot Measure designated \$4 million in specified funding for a regional project that includes the acquisition and construction of a roller hockey rink and skateboard park in the Southeast San Fernando Valley (SE Valley); and

WHEREAS, the “Southeast Valley Roller (Hockey) Rink and Skateboard Park” is a two (2) Phase project: Phase I – Five Parcel acquisition (Skateboard Park) and Phase II - 2 Parcel acquisition (Roller Hockey Rink); and

WHEREAS, on March 3, 2010, the Board of Recreation and Park Commissioners (Board) through Report No. 10-055, preliminarily approved the acquisition of approximately 2.11 acres or 94,875 square feet of privately-owned vacant land, located at 12477 - 12511 Sheldon Street, Sun Valley adjacent to Golden State (Interstate 5) Freeway for the purpose of developing a new park in the Sun Valley Community area - the “Skate Park” component of the overall Prop K specified SE VALLEY project scope (“Southeast Valley Roller (Hockey) Rink and Skateboard Park”); and

WHEREAS, on May 14, 2010, the City Council approved in concept proceeding with the proposed Skate Park component of the overall Prop K specified SE VALLEY project scope (Council File (C.F.) No. 10-0675); and

WHEREAS, on November 19, 2010, the City Council adopted the L.A. For Kids Steering Committee recommendations to recommend that the Board direct Department of Recreation and Park (RAP) Staff to take the necessary actions to acquire the property located at 12477-12511 Sheldon Street for the Skate Park component of the SE VALLEY project; and

WHEREAS, on November 19, 2010, the City Council also authorized City Administrative Officer (CAO) to make technical corrections, as needed to implement the Mayor and Council’s Intentions with regards to the SE VALLEY project; and

WHEREAS, on December 8, 2010, the Board through Report No. 10-330 granted final approval for the acquisition of the 5-Parcel property for the Skateboard component of “Southeast Valley Roller (Hockey) Rink and Skateboard Park” project; and

WHEREAS, the acquisition of the Skate Park component was completed on January 3, 2011; and

WHEREAS, this acquisition provided urban parkland in the heavily congested area of Sun Valley and the acquisition added recreational open space as well as more recreational opportunities to the entire City through expanded availability of recreational activities and facilities; and

WHEREAS, Phase II consist of the Roller (Hockey) Rink two parcel acquisition- the subject property; and

WHEREAS, on September 7, 2011, the Board through Report No. 11-240, granted preliminary approval for the acquisition of the property parcel identified as APN 2634-006-041 (parcel 041); and

WHEREAS, title and environmental concerns with parcel 041 (and later parcel APN 2634-006-040 (parcel 040) delayed and caused the postponement of the acquisition of the two parcels; and

WHEREAS, on May 7, 2020, the Board through Board Report No. 20-075 granted preliminary authority to proceed with the acquisition of parcels 040 and 041 (Property)); and

WHEREAS, on April 22, 2020, City Council adopted the amended City Council motion relative to following: The 2019-20 Fourth CPR Addendum (CF No. 19-0926-S3) included a recommendation for a cash flow account for \$100,000 in Sites and Facilities for the acquisition of the Property to be repaid by the Prop K funding in the Assessment Report; and

WHEREAS, on May 5, 2020, the City Council adopted the following relative to the “Southeast Valley Roller (Hockey) Rink and Skateboard Park” project: The 2020-21 Proposition K Assessment Report (C.F. No. 19-1006) included recommendations for the Southeast Valley Acquisition - \$1,636,769 in Inflation funds, \$1,576,567 in GAP funds, and \$1,786,664 in Specified funding for a total of \$5 million for the acquisition of the Property; and

WHEREAS, on June 2, 2020, the City Council adopted the following relative to the “Southeast Valley Roller (Hockey) Rink and Skateboard Park” project (C.F. No. 20-0459) which authorized the expenditure of up to \$5,000,000 in Prop K funds (Specified Funding GAP and Inflation funds) and recommended to the Board of Recreation and Parks Commissioners that the RAP proceed with the acquisition of the subject Property; and

WHEREAS, the proposed acquisition Property site is large enough to meet the standard for a Neighborhood Park, as defined by the City’s Public Recreation Plan and there is strong Council Office support for this acquisition; and

WHEREAS, the subject Property is subject to several liens related to unpaid taxes and listings of unpaid taxes which the Department of General Services (GSD) has assured RAP staff will be resolved prior to the close of escrow; and

WHEREAS, a Class “A” appraisal has been prepared with a Market Value of \$4,720,000.00 and reviewed by GSD and GSD concluded that the appraised value is supported by the report’s data, the valuation being compatible with the Property seller’s asking price of \$4,750,000; and

WHEREAS, the Phase I Environmental Site Assessment for the Property report indicated that there are no recognized environmental conditions on the subject Property that would pose an impediment to RAP acquiring the subject Property for public use, but the report did recommend that various debris which includes solid waste, heavy good vehicles and containers of motor oil and fuel cleaner be removed prior to the property transfer.

NOW, THEREFORE, BE IT RESOLVED by the Board that the GSD be requested to assist in acquiring the property at 12519-12527 Sheldon Street (parcel 040) and 12515 Sheldon Street (parcel 041) in accordance with the provisions of Charter Section 594 (a) and (b).

BE IT FURTHER RESOLVED, that the Board authorize RAP's Chief Accounting Employee to make technical corrections as necessary to establish the necessary accounts to acquire the project site, and to accept, and transfer the necessary monies to fund the subject Property acquisition to the appropriate City Department accounts or escrow company account in order to expeditiously effectuate the acquisition of the Property as intended by the City of Los Angeles, City Council, (C.F. No. 20-0459); and

BE IT FURTHER RESOLVED, that the Board recommend that the City authorize GSD, the Department of Public Works (DPW), to make technical corrections as necessary to establish the necessary accounts to acquire the Property, and to accept, and transfer the necessary monies to fund the acquisition to the appropriate City Department accounts or escrow company account in order to expeditiously effectuate the acquisition of the Property, said funds to be used to pay for all acquisition related costs such as appraisals, Phase I Environmental Site Assessment/and or additional environmental site assessment, escrow closing costs, site preparation, security of the site, and demolition of existing; and

BE IT FURTHER RESOLVED that a proposed Purchase and Sale Agreement (PSA) be approved substantially in the form approved by the Board as part of the Report under which this Resolution has been adopted, subject to the approval of the City Attorney as to form; and

BE IT FURTHER RESOLVED that the Board President and Secretary be authorized to execute the PSA upon receipt of the necessary approvals; and

BE IT FURTHER RESOLVED that the Board Secretary is directed to accept the grant deed to the Property, which shall be set apart and dedicated as park property in perpetuity; and

BE IT FURTHER RESOLVED, that the completion of the acquisition of the Property be conditioned on the confirmation by the City Administrative Office (CAO), Chief Legislative Analyst (CLA), Prop K Staff (City Staff) and GSD Staff of the completion/satisfaction of conditions A through H identified in Recommendation 4 of Board Report No. 20-075.

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of a Resolution adopted by the Board of Recreation and Park Commissioners of the City of Los Angeles at its meeting held on _____, 20__ (Report No. 20-_____).

HAROLD ARRIVILLAGA, Secretary

Resolution No. _____

**PURCHASE AND SALE AGREEMENT
AND ESCROW INSTRUCTIONS**

Between

**DREAMS COME TRUE INVESTMENT, LLC,
a California Limited Liability Company**

and

**EARLY BIRD ENCINO INC.,
a California Corporation,**

(jointly SELLER)

And

**CITY OF LOS ANGELES,
a Municipal Corporation, acting by and through Its Board of Recreation and Park
Commissioners**

(BUYER)

FOR PROPERTY LOCATED AT

**12515 and 12527 Sheldon Street
Los Angeles, CA 91352**

**ASSESSOR PARCEL NUMBERS
2634-006-040 and 2624-006-041**

DATED: _____, 2020

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Exhibit B..... Site Diagram of Property

Exhibit C Form of Grant Deed

Exhibit D Form of Acceptance of Deed

Exhibit E Definition of Hazardous Substances

Escrow No. _____
Date of Opening of Escrow: _____

PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

This Purchase and Sale Agreement (**Agreement**) is made as of _____, 2020 (**Effective Date**) between the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Recreation and Park Commissioners (**Buyer and City**), and DREAMS COME TRUE INVESTMENT LLC, a California limited liability company and EARLY BIRD ENCINO INC., a California corporation (jointly **Seller**). Buyer and Seller are sometimes referred to herein individually as a "**Party**" and together as the "**Parties**".

RECITALS

A. Seller is the owner of certain real property located in the City of Los Angeles, County of Los Angeles, State of California, commonly known as 12515 and 12527 Sheldon Street, Los Angeles, CA, 91352, Assessor Parcel Numbers 2634-006-041 and 2634-006-040, and legally described in **Exhibit A** attached hereto (**Property**). The Property consists of approximately 43,200 square feet of land improved by an approximately 1,710 square feet single-family residence with garage and accessory residential building constructed circa 1957, with related appurtenances, as more fully described in Section 1.3 below. A site diagram of the Property showing location of these improvements is on **Exhibit B** attached hereto.

B. Seller desires to sell and Buyer desires to purchase the Property subject to the terms and conditions of this Agreement, all applicable federal, state and local laws, all outstanding rights of record, and all rights that are open and obvious on the ground.

C. This Agreement is neither valid nor binding on Buyer unless and until approved by the City's Board of Recreation and Park Commissioners (**Board**) pursuant to the requirements of the City Charter and Administrative Code.

ARTICLE 1

PROPERTY

1.1. Execution Date. The term "**Execution Date**" shall mean the date that the Office of the City Clerk of Los Angeles attests this Agreement on page 25 below, which shall also be the "**Effective Date**" of this Agreement.

1.2. Purchase and Sale. For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Seller agrees to sell and Buyer agrees to

purchase the Property described in Section 1.3 below.

1.3. Components of the Property. The Property to be purchased and sold hereunder consists of the following:

1.3.1. Land. Physical land area described in Exhibit A hereto (**Land**)

1.3.2. Improvements. All buildings, garages, fences, parking areas and other structures or improvements on the Land, including without limitation, fixtures and systems or equipment used in connection with the operation or occupancy of such structures or improvements such as heating-ventilation-and air conditioning systems (**HVAC**), plumbing, gas and electrical conduits, and garbage disposal equipment (collectively, **Improvements**).

1.3.3 Appurtenances. All privileges, rights, and easements appurtenant to the Land, including without limitation, all: (a) minerals, oil, gas and other hydrocarbon substances on and under the Land, (b) development rights, demolition rights, air rights, water, and water rights and stock relating to the Land, (c) right, title and interest of Seller in and to any streets, alleys, passages, water and sewer taps, and storm drain capacity or reservations, (d) rights under utility agreements, and (e) other easements and rights-of-way included in, adjacent to, or used in connection with the beneficial use and enjoyment of the Land (collectively, **Appurtenances**).

ARTICLE 2

PURCHASE PRICE

2.1. Amount. The purchase price of the Property is Four Million Seven Hundred and Fifty Thousand Dollars (\$4,750,000) payable in cash to Seller in accordance with this Article 2 (**Purchase Price**).

2.2. Payment. Buyer shall pay the Purchase Price as follows:

2.2.1. Deposit. Twenty-one (21) days following the Effective Date of this Agreement, Buyer shall deposit into Escrow (defined in Section 3.1 below), for benefit of Seller), the sum of Fifty Thousand Dollars (\$50,000) as a deposit toward the Purchase Price (**Deposit**). The Deposit will be applied to the Purchase Price at the Close of Escrow (defined in Section 3.3 below). However, if Buyer defaults in its obligations under this Agreement thus preventing the Close of Escrow, Escrow Holder (defined in Section 3.1 below) shall release Deposit to Seller who shall retain it as liquidated damages for such default. Additionally, if Buyer elects to terminate this Agreement before expiration of the Inspection Period (defined in Section 3.2 below), Escrow Holder shall refund Deposit to Buyer. Further, if Seller defaults under this Agreement, Escrow Holder shall refund Deposit to Buyer.

2.2.2. Balance. At least three (3) days prior to Close of Escrow, Buyer shall deliver to Escrow Holder a sum equal to the Purchase Price, together with Buyer's share of pro-rata amounts and Escrow costs (see Section 3.6 below), less the amount of the Deposit.

ARTICLE 3

OPENING AND CLOSING OF ESCROW

3.1. Opening of Escrow. No later than five (5) days following the Effective Date of this Agreement (see Section 1.1 above), the Parties shall deliver to Escrow Holder the following: (a) Buyer - three (3) fully executed counterparts of this Agreement, and (b) Seller – the Inspection Documents listed in Section 4.1 below. The Deposit shall be delivered into escrow (21) days following the Effective Date of this Agreement (see Section 1.1 above). The Parties' delivery of these items, except the Deposit, to Escrow Holder shall constitute the opening of escrow hereunder (**Opening of Escrow**). For purposes of this Agreement, the Escrow Holder shall be Fidelity National Title Company located at 5000 Van Nuys Blvd, Suite 500, Sherman Oaks, CA 91403 Attention: Martha Hernandez (**Escrow Holder**). Also, this Agreement will serve as the Parties' instructions to Escrow Holder for consummation of the purchase and sale of the Property contemplated herein. Upon Opening of Escrow, Escrow Holder shall insert the Escrow Number and the date of Opening of Escrow (together, **Escrow**) on the first page of each of the three counterparts of this Agreement. Additionally, Escrow Holder shall deliver to Buyer and Seller a set of counterparts of this Agreement and retain a set in Escrow. Escrow Holder is responsible only for undertaking matters in conjunction with Opening of Escrow and Close of Escrow (defined in Section 3.3 below).

3.2. Term of Escrow. The term of this Escrow shall be seventy-five (75) days commencing on the Opening of Escrow (**Term of Escrow**), unless extended by mutual written agreement of the Parties. The Term of Escrow shall consist of two time periods: (a) the initial forty-five (45) day period after Opening of Escrow during which Buyer will review the Inspection Documents and notify Seller in writing of its approval or disapproval of the matters disclosed therein (Section 4.1 below) and conduct its Due Diligence (Section 4.4 below), followed by (b) a subsequent thirty (30) day period commencing on the date City's written notice of approval of said Documents and completion of its Due Diligence, in which the Parties complete any other duties under this Agreement. Thus, the closing date of this Escrow shall occur no later than the expiration date of the Term of Escrow, unless extended by mutual written agreement of the Parties (**Closing Date**).

3.3. Close of Escrow. The Close of Escrow for the purchase and sale of the Property shall occur following: (a) Buyer's written notice of approval to Seller of the matters disclosed in the Inspection Documents, (b) Buyer's completion of its Due Diligence, (c) Buyer's and Seller's respective Deliveries into Escrow (Sections 3.4 and 3.5 below), (d) the satisfaction or waiver of Buyer's and Seller's respective Conditions to Close of Escrow (Articles 4 and 5 below), and (d) Escrow Holder's recordation of a grant deed transferring fee title to the Property to Buyer (**Close of Escrow**).

3.4. Seller's Deliveries into Escrow. Not later than three (3) days prior to the Closing Date, Seller shall deposit in Escrow the following documents duly executed by Seller in form and substance reasonably satisfactory to Buyer:

3.4.1. Deed. A duly executed and acknowledged grant deed conveying fee title to the Property to Buyer subject only to the Permitted Exceptions (**Deed**). A form of Deed is attached hereto as **Exhibit C**;

3.4.2. Non-Foreign Certification. Certificates required by §1445 of the Internal Revenue Code of 1986, and California Revenue and Taxation Code §18668, executed by Seller in a form satisfactory to Buyer (**Non-Foreign Certification**), to relieve Buyer of any potential transferee's withholding liability under those statutes;

3.4.3. Seller's Proof of Power and Authorization. Such proof of power and authorization of Seller to enter into and perform under this Agreement, and such proof of power and authorization of the individuals executing or delivering any instruments, documents or certificates on behalf of Seller to act for and bind Seller as may reasonably be required by Buyer or Escrow Holder; and

3.4.4. Additional Documents. Such additional documents, including written Escrow instructions and amendments consistent with this Agreement, as may be necessary to convey the Property in accordance with this Agreement.

3.5. Buyer's Deliveries into Escrow. No later than three (3) days prior to the Closing Date, Buyer shall deposit in Escrow the following funds and documents duly executed by Buyer in form and substance reasonably satisfactory to Seller:

3.5.1. Balance of Purchase Price. The Balance of the Purchase Price in accordance with Article 2, plus or minus prorations described in Section 3.7 below

3.5.2. Buyer's Proof of Power and Authorization. Such proof of power and authorization of Buyer to enter into and perform under this Agreement, including Board approval of this Agreement and grant of authority to City staff to purchase the Property.

3.5.3. Buyer's Acceptance of Deed. A duly executed and acknowledged Acceptance of Deed (on a City form) by which City accepts title to the Property. A form of Acceptance of Deed is attached hereto as **Exhibit D**.

3.5.4. Additional Documents. Such additional documents, including written Escrow instructions and amendments consistent with this Agreement, as may be necessary for conveyance of the Property in accordance with this Agreement.

3.6. Closing. When Escrow Holder receives all documents and funds identified

in Sections 3.4 and 3.5 above, it shall close Escrow by:

3.6.1. Recording the Deed and Acceptance of Deed;

3.6.2. Delivering to Buyer the Non-Foreign Certification, copies of all recorded documents related to transfer or encumbering of the Property, and a copy of Seller's Escrow instructions;

3.6.3. Paying the Purchase Price to Seller, plus or minus the prorations described in Section 7.6 below; and

3.6.4 Delivering signed closing statements showing all receipts and disbursements to Buyer and Seller, and filing with the Internal Revenue Service (with copies to Buyer and Seller) the reporting statement required under Internal Revenue Code §6045(e).

3.7. Prorations. All receipts and disbursements related to f the Property shall be prorated as of 11:59 p.m. on the day immediately preceding the Closing Date and the Purchase Price shall be adjusted on the following bases:

3.7.1. Property Taxes. All real and personal property taxes, ad valorem taxes, and special assessments (whether payable in installments or not), including without limitation, all supplemental taxes attributable to the period prior to the Closing shall be: (a) prorated to the Closing Date (based on the latest available tax rate and assessed valuation), and (b) paid by Seller for the period prior to the Closing Date. Buyer, a municipal corporation, is exempt from payment of all such taxes and assessments after the Closing Date. Thus, to the extent Seller has paid property taxes and assessments relating to periods subsequent to the Closing Date, it shall be its responsibility to apply to the appropriate authority for a refund of such taxes and assessments.

3.7.2. Utility Charges. Charges for utilities, including water, sewer, electric and gas, shall be prorated within thirty (30) days after the Closing Date based on the then most recent bills for such services. Seller shall pay for all utility services to the Property for all periods before the Closing and Buyer shall pay for all utility services to the Property after the Closing Date and all periods thereafter.

3.8. Closing Costs. Closing costs shall be allocated as follows:

3.8.1. Seller shall pay all costs associated with removing any debt encumbering the Property;

3.8.2. Escrow costs shall be shared equally by Seller and Buyer;

3.8.3. Seller shall pay the cost of an ALTA Standard Title Policy issued by Fidelity Title Company (defined in Section 4.2 below). Buyer shall pay the cost of

any endorsements or extended coverage to that Policy. .

3.9. Possession. Seller shall deliver exclusive right of possession of the Property to Buyer on the Closing Date.

ARTICLE 4

BUYER'S CONDITIONS TO CLOSE OF ESCROW

The following are conditions precedent to Buyer's obligation to purchase the Property:

4.1. Buyer Approval of Inspection Documents. Seller's delivery into Escrow (at Opening of Escrow) of the below-listed documents for Buyer's inspection (**Inspection Documents**) and Buyer's written approval of the matters disclosed therein by no later than forty-five (45) days after Opening of Escrow (**Inspection Period**):

4.1.1. Agreements. Copies of all leases, licenses, easements, covenants, use restrictions, and other agreements related to the Property, including without limitation, insurance policies, service and supply contracts, advertising and promotion agreements, and management and professional services agreements.

4.1.2. Permits and Licenses. Copies of all permits, licenses or certificates required by governmental authorities in connection with occupancy or operation of the Improvements, including without limitation, building permits, demolition permits, certificates of completion, certificates of occupancy map approvals, and environmental permits and clearances related to the Improvements.

4.1.3. Tax Bills. Copies of real property tax bills for current tax year.

4.1.4. Insurance Policies. Copies of all liability, fire, and casualty insurance policies carried by Seller, and copies of certificates evidencing all insurance that tenants of the Property are required to carry.

4.1.5. Property Condition Materials. Copies of all environmental site assessments (e.g., Phase I or Phase II audits), notices-of-violation or enforcement actions regarding Hazardous Substances (defined in **Exhibit E** attached hereto), asbestos reports, soil tests, engineering reports, inspection results, and complaints or notices-of-violation related to the condition or safety of the Property (collectively, **Property Condition Materials**). Seller's duty to provide such Materials does not include the duty to conduct and pay for new Environmental Site Assessments, which are Buyer's duties hereunder (see Section 4.4 below).

4.1.6. Enforcement Materials. Copies of all materials related to pending or threatened claims, lawsuits, or enforcement actions (during Seller's ownership of

the Property) regarding the Property, including without limitation, notices-of-violation, complaints, answers, regulator enforcement orders, court orders, settlements, and judgments (collectively, **Enforcement Materials**).

4.1.7. Property Owner Materials. Copies of all materials related to Seller's ownership of the Property, including without limitation, dealings with tax authorities, government regulators, utilities, service or product vendors, complaining tenants or neighbors, and others whom Buyer will likely be dealing with after the Close of Escrow (collectively, **Property Owner Materials**).

4.1.8 Parcel Map Materials. Copies of all materials related to Seller's efforts to subdivide all or any portion of the Property from application for through approval of a Parcel Map, including without limitation, application forms, preliminary maps, final maps, advisory agency decisions, and related correspondence (collectively, **Parcel Map Materials**).

4.1.9 Removal of Debris. The removal of all solid waste and debris by the seller prior to the close of escrow is required.

4.1.10. Excluded Materials. The above-listed Inspection Documents shall not include any: (a) books, records, documents or information on the corporate, financial and accounting records of Seller's business operations (as opposed to Seller's records concerning the Property), (b) third party offers or inquiries on the purchase of some or all of the Property, or (c) appraisals of the Property's value that are attorney-client communications of Seller, Seller's attorney's work product, or Documents not in Seller's possession nor under its control.

Buyer's obligation to purchase the Property is expressly conditioned on its approval, in its sole discretion, of the matters disclosed in the Inspection Documents. Such matters disclosed include the condition of the Property disclosed in the Property Condition Materials, Enforcement Materials, Enforcement Materials, Property Owner Materials and Parcel Map Materials, as well as Buyer's Due Diligence conducted on the Property (Section 4.4 below). Buyer shall have the Inspection Period to review the Documents, conducts its Due Diligence, and decide whether to approve (or not) the matters disclosed in those processes. On or before expiration of Inspection Period, Buyer shall deliver written notice to Seller either accepting the matters disclosed in these Documents or terminating this Agreement. If Buyer fails to give such notice on or before that expiration date, Buyer shall be deemed to have approved the Inspection Documents.

4.2. Buyer Approval of Title. Buyer's approval of the condition of title of Property (and Title Company commitment to issue Title Policy) in accord with following procedure:

4.2.1. Permitted Exceptions. The following exceptions shown on the Preliminary Report (**Permitted Exceptions**) are approved by Buyer: (a) exceptions for

liens for local real estate taxes and assessments not yet due or payable, including without limitation, special taxes under Government Code §§53311-53368.3 or installment assessments under Street and Highway Code §§8500-8887, (b) the standard preprinted exceptions and exclusions of the Title Company (defined below), and (c) any other exception shown on the Preliminary Report, other than exceptions for monetary liens, which Buyer does not object to by written notice to Seller within the Inspection Period described in Section 3.2 hereof (**Buyer's Title Notice**). All exceptions on the Preliminary Report other than the Permitted Exceptions will be "**Title Objections**". If Buyer fails to deliver its Buyer's Title Notice within the Inspection Period, Buyer shall be deemed to have objected to each title exception shown in the Preliminary Report that is not otherwise a Permitted Exception. Additionally, the Parties acknowledge and agree that the Title Company for this Agreement shall be Fidelity Title Company located at 5000 Van Nuys Blvd, Suite 500, Sherman Oaks, CA 91403, (818) 881-7800 (**Title Company**).

4.2.2. Title Objections. With respect to any Title Objection arising during the Inspection Period, Seller shall have ten (10) days after delivery of Buyer's Title Notice to remove or cure any Title Objections. If Seller does not wish to remove or cure the Title Objections within that 10 day period, Seller shall deliver written notice of same to Buyer (**Seller's Title Notice**).

4.2.3. Non-Cure of Title Objections. If Seller elects not to cure or remove a Title Objection by delivering a Seller's Title Notice (or is deemed to have so elected), then Buyer shall have ten (10) days after delivery of that Notice to deliver a written notice to Seller of Buyer's election either to: (a) proceed to purchase the Property by waiving the Title Objection and accepting the exception shown in the Preliminary Report as a Permitted Exception, or (b) terminate this Agreement (**Buyer's Election Notice**). If Buyer fails to deliver its Buyer's Election Notice within the time specified in this Section 4.2.3, Buyer shall be deemed to have elected to terminate this Agreement.

4.2.4. Nonmonetary Cure of Title Objections. If Seller elects to cure or remove a Title Objection (but the method specified for removing or curing that Objection is other than payment of a sum of money), then Buyer shall have ten (10) days after delivery of Seller's Title Notice to deliver Buyer's Election Notice specifying whether it elects to: (a) proceed to purchase the Property, subject to Seller's removal of the Title Objections, or (b) terminate this Agreement.

4.2.5. Additional Encumbrances. If any encumbrance or other title exception arises or is revealed after delivery of the Title Report (**Additional Encumbrances**), the Party discovering such Encumbrances shall promptly give written notice to the other. No later than five (5) days after delivery of the notice of such Additional Encumbrance, Buyer shall deliver a new Buyer's Title Notice to Seller specifying whether the subject Additional Encumbrance is a Title Objection or a Permitted Exception. If Buyer objects to the Additional Encumbrance, the Parties shall proceed in the same manner set forth above for Title Objections arising from the Title Report. If Buyer fails to deliver Buyer's Election Notice within the time specified in this Section 4.2.5, Buyer shall be

deemed to have elected to terminate this Agreement. The Parties acknowledge and agree that the Closing Date shall be extended to extent necessary to provide a reasonable time within which to comply with the requirements of this Section 4.2 for Title Objections.

4.2.6 Commitment to Issue Title Policy. Upon completion of the above procedure, Title Company shall be unconditionally and irrevocably committed to issue to Buyer an ALTA Standard Coverage Owner's Policy in the full amount of the Purchase Price insuring fee simple title to Property in Buyer (**Title Policy**).

43. Seller Compliance with Conditions. Seller will have complied with each and every condition and covenant of this Agreement to be kept or complied with by Seller, and all of the representations and warranties made by Seller under this Agreement shall be accurate as of the Closing Date.

4.4. Buyer Entry for Due Diligence. On the Effective Date of this Agreement, Buyer shall have the right to enter and investigate the Property, including inspections, tests and studies of the physical and environmental condition of the Property (collectively, **Due Diligence**). Such Due Diligence may include: (a) Phase I and II Environmental Site Assessments of the Land, (b) soils tests of the Land, and (c) building and safety reviews of the Land and Improvements. Seller shall give Buyer and its consultants, inspectors, contractors and employees (**Buyer's Representatives**) reasonable access to the Property during regular business hours to perform such Due Diligence. Buyer shall perform Due Diligence at its sole cost and expense. Buyer shall also indemnify, defend with counsel reasonably acceptable to Seller, and hold Seller harmless from all claims (including claims of liens for work or labor performed or materials or supplies furnished), demands, liabilities and losses, and fees and costs (including Seller's reasonable attorney fees and costs) arising from such Due Diligence by Buyer or Buyer's Representatives.

4.5. Failure of Buyer Condition to Close. If a Buyer Condition to Close is not approved or waived prior to Closing Date, Buyer may terminate this Agreement. If this Agreement is so terminated: (a) the Parties shall have no further obligations or liabilities hereunder, except as provided by law, and (b) Escrow Holder shall refund Deposit (and its accumulated interest) to Buyer, without offset, charge or claim. Any cancellation fee or other costs of Escrow Holder or Title Company resulting from such termination for failure of a Buyer Condition to Close, shall be borne equally by Seller and Buyer.

ARTICLE 5

SELLER'S CONDITIONS TO CLOSE OF ESCROW

The following are conditions precedent to Seller's obligation to sell the Property:

5.1 Buyer Delivery of Purchase Price. Buyer will have delivered the Purchase Price into Escrow in the manner and at the times specified in Section 2.2 above.

5.2 Buyer Proof of Authority. Buyer will have obtained approval of its Board of Recreation and Park Commissioners to this Agreement and authorization of City staff to purchase the Property.

5.3. Compliance by Buyer with Conditions. Buyer will have complied with each and every condition and material covenant of this Agreement to be kept or complied with by Buyer, and all of the representations and warranties made by Buyer under this Agreement shall be accurate as of the Closing Date.

5.4 Failure of Seller Condition to Close. If a Seller Condition to Close is not approved or waived prior to Closing Date, Seller may terminate this Agreement. If this Agreement is so terminated: (a) the Parties shall have no further obligations or liabilities under this Agreement, except as required by law, and (b) Escrow Holder shall release the Deposit (and all accumulated interest) to Seller as its liquidated damages for such failure of a Condition to Close (Section 2.2 above).

ARTICLE 6

AS IS SALE; RELEASE AND INDEMNITY

6.1 As Is Sale. The Parties acknowledge and agree that Buyer and Buyer's Representatives are being permitted to enter and conduct Due Diligence on the Property, review Inspection Documents, and determine the Property's condition and compliance with relevant government laws and regulations. Buyer will accept (or reject) the Property for purchase on the basis of such Due Diligence, Inspection Documents, and determinations. Also, Buyer acknowledges and agrees that if it accepts the Property for purchase, it will be sold and conveyed to Buyer in an "as is" condition with all defects and faults, including without limitation, environmental and building safety defects. Further, Seller makes no representation or warranty (express or implied) with respect to the Property, including without limitation: (a) its use, condition, risks, title, occupation or management, (b) its compliance with applicable governmental laws and regulations relating to zoning, planning, building, leasing, fire, safety, health or environmental matters, and (c) its compliance with any covenants, conditions and restrictions, whether or not of record (collectively, **Condition of the Property**).

6.2 Parties' Reciprocal Releases.

6.2.1 Buyer's Release. Effective on the Close of Escrow, Buyer (for itself, its successors and assigns) hereby releases, waives and discharges Seller, its employees, agents, or any person acting on its behalf (collectively, **Seller Parties**) from all personal injury and property damage liability (including without limitation, claims, lawsuits, causes of action, administrative proceedings, fines and damages, losses and costs such as reasonable attorneys' fees and court costs) arising out of or related to the Condition of the Property after Close of Escrow. Further, Buyer hereby: (a) agrees that the matters

released herein are not limited to matters which are known, disclosed or foreseeable, and (b) waives any and all rights it now has, or in the future may have, conferred on it by California Civil Code Section 1542 which provides:

1542. Certain Claims Not Affected by General Release. A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Buyer hereby evidences its agreement to the terms of this Release by placing its initials or signature below.

Buyer's Initials

6.2.2 Seller's Release. Effective on the Close of Escrow, Seller (for itself, its successors and assigns) hereby releases, waives and discharges Buyer, its officials, employees, agents or any person acting on its behalf (collectively, **Buyer Parties**) from all personal injury and property damage liability (including without limitation, claims, lawsuits, causes of action, administrative proceedings, fines and damages, losses and costs such as reasonable attorneys' fees and court costs) arising out of or related to the Condition of the Property before Close of Escrow. Further, Seller hereby: (a) agrees that the matters released herein are not limited to matters which are known, disclosed or foreseeable, and (b) waives any and all rights it now has, or in the future may have, conferred on it by California Civil Code Section 1542 which provides:

1542. Certain Claims Not Affected by General Release. A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Seller hereby evidences its agreement to the terms of this Release by placing its initials or signature below.

Seller's Initials

6.3 Parties' Reciprocal Indemnities.

6.3.1 Buyer's Indemnity. Effective on Close of Escrow, Buyer shall indemnify, protect, defend (with counsel reasonably acceptable to Seller) and hold harmless the Seller Parties against any and all personal injury and property damage liability, including without limitation, claims, lawsuits, causes of action, administrative proceedings, fines, damages, losses, and costs such as reasonable attorneys' fees and court costs) arising

out of or related to Buyer's ownership of the Property after the Close of Escrow.

6.3.2 **Seller's Indemnity.** Effective on the Close of Escrow, Seller shall indemnify, protect, defend (with counsel reasonably acceptable to Buyer) and hold harmless the Buyer Parties against any and all personal injury and property damage liability, including without limitation, claims, lawsuits, causes of action, administrative proceedings, fines and damages, losses and costs such as reasonable attorneys' fees and court costs, arising out of or related to Seller's ownership of the Property before Close of Escrow.

ARTICLE 7

SELLER'S PRECLOSING COVENANTS

7.1. **No Amendments or New Agreements.** On or after the Effective Date, Seller shall not: (a) amend or waive any right under any Inspection Document, or (b) enter into any lease, license, right-of-entry, or other agreement of any type affecting the Property that would survive the Closing Date, without Buyer's prior written consent. Except for proposed new leases or licenses, Buyer may not unreasonably withhold its consent.

7.2. **Insurance.** From the Effective Date to Closing Date, Seller must maintain or in full force and effect comprehensive general liability casualty and other insurance on the Property in an amount equal to the full replacement cost of the Improvements.

7.3. **Maintenance and Operation.** Seller, at its sole cost and expense, shall maintain: (a) the Property in substantially the same manner as it has maintained it prior to the Effective Date, so that (b) the Property is in the same condition and repair on Closing Date as on Effective Date, reasonable wear and tear excepted. Seller may not make any material alterations to the Property without Buyer's prior written consent.

7.4. **No Mechanics' Liens.** Except for materials, supplies, or work provided or ordered for the Property at the request of or for the account of Buyer, on or before the Closing Date, Seller must: (a) pay for all materials, supplies, and work provided or ordered for the Property for which a labor, materialman's or mechanics' lien may be claimed under applicable law, and (b) if required by Title Company, provide it with such indemnifications or security as it may require to insure title to the Property at the Closing without exception for any unrecorded labor, materialman's or mechanics' claim of lien.

7.5. **No Marketing.** Seller agrees not to market, show, or list the Property to any other prospective buyer during the term of this Agreement.

7.6. **No Defaults under Existing Financing.** Seller shall not permit any default, or any event that could give rise to a default with lapse of time or notice, to occur under any existing loan or other financing secured by the Property.

7.7. **Licenses and Permits.** Seller shall use its best efforts to keep in full force

and effect, and shall renew, when necessary, all licenses and permits for the Property.

7.8. Buyer Access to Property. Buyer and Buyer's Representatives shall have the right at reasonable times until Closing to enter the Property as per Section 4.4 above.

7.9. Seller Notifications. Seller shall promptly notify Buyer of: (a) material changes in the condition of the Property, or (b) material events or circumstances that makes any Seller representation or warranty under this Agreement (Section 8.1) false or misleading.

ARTICLE 8

PARTIES' REPRESENTATIONS AND WARRANTIES

8.1. Seller Representations and Warranties. Seller hereby represents and warrants, to the best of its knowledge, that each of the following is true from the Effective Date to the Closing Date:

8.1.1. Inspection Documents. All Inspection Documents delivered to Buyer under Section 3.1 hereof (and any other documents delivered to Buyer by or on behalf of Seller) are true, correct and complete copies of what they purport to be. These Documents delivered by Seller to Buyer are all the material documents related to the Property in Seller's possession or under its control.

8.1.2. Leases and Licenses. There are no written leases, licenses, or rights-of-entry between Seller and third parties related to the Property. Also, Seller has agreed to deliver the Property and Improvements vacant to Buyer.

8.1.3. Litigation Proceedings. There is no pending or threatened private or governmental litigation against Seller related to the Property.

8.1.4. Other Proceedings. There are no attachments or execution proceedings, no assignments for benefit of creditors, no insolvency, bankruptcy, reorganization, or other proceedings pending or threatened against Seller or its interest in the Property (nor are any such proceedings contemplated by Seller).

8.1.5. Governmental Actions. Seller has no knowledge of, nor has Seller received written notice about: (a) any plan, study or effort by a government agency that in any way would materially affect the current use of the Property (or portion thereof), (b) any intended public improvements that would result in a charge levied against, or lien assessed on, the Property, (c) any existing, proposed or contemplated plan to widen, modify or realign any street or highway contiguous to the Property, or (d) any existing, proposed or contemplated government enforcement action against a condition on the Property such as environmental or building and safety violations.

8.1.6. Condemnation Actions. Seller has received no notice of any presently pending or contemplated special assessments or proceedings to condemn or demolish the Property (or portion thereof) or any proceedings to declare the Property (or portion thereof) a nuisance.

8.1.7. Utilities Serving Property. All water, sewer, gas, electric, telephone, drainage facilities, and other utilities currently installed on the Property are adequate for its present uses.

8.1.8. Development Rights of Property. Neither Seller nor any previous owner of the Property has, except by operation of law, sold, transferred, conveyed, or entered into any agreement regarding "air rights," "excess floor area ratio," or other development rights or restrictions related to the Property, except as otherwise expressly set forth in the Preliminary Report.

8.1.9. Authorized Documents. This Agreement, the performance of Seller's obligations hereunder, and delivery of Grant Deed to Buyer by the Closing Date shall be: (a) duly authorized, executed and delivered by Seller, (b) legal, valid and binding obligations of Seller, and (c) not violate a provision of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject. Additionally, no consent of a partner, shareholder, creditor, investor, judicial or administrative body, government agency, or other party is required for Seller to enter into and/or to perform Seller's obligations under this Agreement, except as has already been obtained. Seller is a California corporation validly organized and existing, in good standing under State of California laws, and is qualified to do business in State of California.

8.1.10. Title to the Property. Seller has good and marketable title to the Property. Seller has no actual knowledge of unrecorded or undisclosed legal or equitable interests in the Property owned or claimed by anyone other than Seller. Seller has no knowledge that anyone will, at Closing Date, have a right to possession of the Property, except as disclosed by this Agreement, the Preliminary Report, or a writing to Buyer. There are no unsatisfied mechanics' or materialmen's liens on the Property, nor assessment liens or bonds encumbering the Property.

8.1.11. Personal Property. Seller has: (a) no knowledge that anyone will, at the Closing, have any right to possession of personal property that is included in the Purchase Price nor (b) knowledge of any liens or encumbrances affecting such personal property, except as disclosed by this Agreement, the Inspection Documents, the Due Diligence, or otherwise in writing to Buyer.

8.1.12. Natural Hazard Disclosure. Seller shall pay for and prepare a natural hazard disclosure statement in the form required by California Civil Code Section 1103 (**Natural Hazard Disclosure**). Buyer acknowledges that this

transaction is not subject to that Civil Code Section, but that nevertheless the Natural Hazard Disclosure serves or shall serve to satisfy all other statutory disclosure requirements of the California Government Code and Public Resources Code. Seller does not warrant or represent either the accuracy or completeness of the information in the Natural Hazard Disclosure, and Purchaser shall use same merely as part of its Inspection Documents and Due Diligence.

8.1.13. Foreign Person. Seller is not a foreign person and is a "United States Person" as such term is defined in §7701(a)(30) of the Internal Revenue Code of 1986, as amended.

8.2. Buyer Representations and Warranties. Buyer hereby represents and warrants that each of the following is true from the Effective Date to the Closing Date:

8.2.1 Authorized Documents. This Agreement, the performance of Buyer's obligations hereunder, and all documents executed by Buyer and delivered to Seller by the Closing Date shall be: (a) duly authorized, executed and delivered by Buyer, (b) valid and binding obligations of Buyer, and (c) not violate any provisions of any agreement or judicial order to which Buyer is a party or to which Buyer or the Property is subject. Buyer has obtained all internal approvals and consents required for Buyer to enter into or to perform Buyer's obligations under this Agreement.

8.3. Effect of Parties' Representations and Warranties. Each Party's representation and warranty in this Article 8: (a) is material and being relied on by the other Party to which the representation and warranty is made, (b) is true in all respects as of the Effective Date, or (c) shall be true in all respects on the Closing Date, and (d) shall survive the Closing, except as otherwise provided in this Agreement.

8.4. Survival of Seller's Representations and Warranties. The Parties agree that: (a) Seller's warranties and representations in this Agreement shall survive for two (2) years after the Closing Date, and (b) if Buyer fails to provide written notice to Seller of any breach of such warranties or representations within those 2 years, Buyer shall be deemed to have waived all claims for Seller breach. If there is a Seller breach of its warranties and representations herein, Buyer's sole remedies shall be: (i) an action at law for damages as a consequence of such breach, or (ii) termination of this Agreement and waiver of further claims against Seller.

8.5 Brokers. Seller represents and warrants that a real estate brokerage commission is payable to Coldwell Banker Residential Brokerage under a separate agreement between Seller and Coldwell Banker Residential Brokerage in connection with the transaction contemplated herein, and agrees to and does hereby indemnify and hold Buyer harmless against payment of any commission to any person or organization claiming by, through or under Buyer. This indemnification shall extend to any and all claims, liabilities, fees and costs (including reasonable attorneys' fees and court costs) arising as a result of such claims and shall survive the Closing. This Section shall survive both the Closing and any termination of this Agreement.

Seller's Initials: _____

Buyer's Initials: _____

ARTICLE 9

RISK OF LOSS

9.1. Condemnation. If before the Closing Date any action or proceeding is commenced for the condemnation or exercise of the rights of eminent domain of the Property or any portion of it, or if Seller is notified by the duly authorized officer of a duly empowered condemning authority of the intent to commence such action or proceeding (Condemnation) and if such Condemnation would materially and adversely affect the use or operation of the Property, have the effect of decreasing the square footage of the Improvements, or reduce or eliminate access to the Property, then Buyer may either: (a) terminate this Agreement or, (b) proceed with the Closing without modifying the terms of this Agreement and without reducing the Purchase Price, on the condition that Seller must assign and turn over, and Buyer shall be entitled to keep, all awards for the Condemnation that accrue to Seller. Seller may not negotiate, resist, or stipulate to any Condemnation without Buyer's written consent. Seller must notify Buyer of any notice of Condemnation of all or any portion of the Property within five (5) days after the receipt of this notice, and Buyer must exercise its option(s) as provided in this Section 9.1 within fifteen (15) days after receipt of such notice. If necessary, the Closing Date shall be extended to give Buyer the full fifteen (15) day period to make such election.

ARTICLE 10

REMEDIES FOR DEFAULT

10.1. Buyer Default. Buyer shall be deemed in default under this Agreement if: (a) Buyer fails (for any reason other than Seller's default hereunder, or failure of a Condition Precedent to Buyer's obligation to perform hereunder) to perform any covenant, condition or obligation required on its part within the time limits and manner required herein, or (b) Buyer commits actual fraud or intentional misrepresentation in any Buyer representation or warranty herein. However, Buyer shall not be deemed in default unless and until: (i) Seller gives Buyer written notice of the default which describes its nature, and (ii) Buyer fails to cure such default within ten (10) days after receipt of such notice (**Notice and Cure Rights**). The Closing Date shall be extended to the extent necessary to provide Buyer with the ten (10) days to cure the default.

10.2. Remedies for Buyer Default. If Buyer defaults in its obligations under this Agreement to purchase the Property on the Closing Date through no fault of Seller, then Seller shall have all remedies provided by California law, including the right to recover

its general and specific (but not consequential) damages. However, Seller shall not have such remedies unless and until it provides Buyer with Notice and Cure Rights. .

10.3. Seller Default. Seller shall be deemed in default under this Agreement if: (a) Seller fails (for any reason other than Buyer's default hereunder, or failure of a Condition Precedent to Seller's obligation to perform hereunder) to perform any covenant, condition or obligation required on its part within the time limits and manner required herein, or (b) Seller commits actual fraud or intentional misrepresentation in any Seller representation or warranty herein. However, Seller shall not be deemed in default unless and until: (i) Buyer gives Seller Notice and Cure Rights as described in Section 10.2 above, and (ii) Seller fails to cure such default within the ten (10) day cure period. The Closing Date shall be extended if necessary to provide Seller with said 10 days to cure the default.

10.4. Remedies for Seller Default. If Seller defaults in its obligations under this Agreement to sell the Property on the Closing Date through no fault of Buyer, then Buyer at its option shall have the right to specific performance of this Agreement, or alternatively, to recover the Deposit and seek its general and specific (but not consequential) damages. If, after the Closing Date, Buyer determines that Seller has breached any representation or warranty set forth in Article 5 then Buyer shall have the right to bring an action for general and specific damages against Seller. However, If this Agreement is terminated before the Closing Date because of Seller's default, then, in addition to any remedy Buyer has hereunder, Seller shall reimburse Buyer for its costs incurred in conducting Due Diligence, including without limitation: (a) payments made by Buyer to independent third parties, (b) Buyer's internal costs for photocopying and supplies, and (c) Buyer's employee costs consisting of their salaried time, fringe benefits, compensatory time off, and indirect staff costs related to this purchase. Indirect staff costs will be calculated based on the Cost Allocation Plan published annually by the Los Angeles City Controller.

10.5. Resolution of Disputes. Seller and Buyer disputes that arise from: (a) this Agreement (including its amendments), (b) any document, agreement or procedure related to this Agreement or the Property, (c) any violation of this Agreement or its amendments, or (d) any claims for damages resulting from Buyer's conduct of Due Diligence on the Property (Section 4.4 hereof), including claims for injury to persons, property, or business interests (collectively, **Arbitrable Disputes**) shall be resolved under this Section 10.5. Such Arbitrable Disputes shall survive termination of this Agreement. Wherever this Agreement refers to arbitration as the means of resolving disputes between the Parties, they shall follow the procedure described below before commencing arbitration procedures. The filing of a judicial action during the term of this Agreement to enforce the other Party's performance (e.g., filing for an injunction or order of attachment) shall not constitute a waiver of the filing Party's right (or breach of its obligation to arbitrate). However, in no circumstances following termination of this Agreement shall Buyer record a notice of pending action (lis pendens) or take other action or seek other remedies that would have the effect of clouding Seller's title or restricting Seller's ability to convey or encumber the Property, free of any claim by

Buyer to the Property.

10.5.1. Arbitration of Disputes.

(a) General. Any controversies or claims between Seller and Buyer that arise from Arbitrable Disputes shall be settled by arbitration in the City of Los Angeles, California, in accordance with the Commercial Arbitration Rules - Rules of the American Arbitration Association (**AAA**) if not inconsistent with other provisions of this Agreement, and judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction. The Parties submit to the jurisdiction of the Superior Court of the State of California, County of Los Angeles, for purposes of confirming any such award and entering judgment. The Parties further agree that, despite anything to the contrary that may now or hereafter be contained in the Rules of the AAA, this Section 10.5.1 shall control.

(b) Appointment. Within thirty (30) days after receipt of a notice of arbitration (**Demand**) from the other Party, each Party shall appoint one person to hear and decide the dispute. The two persons so chosen shall, within ten (10) days after their appointment, appoint a third impartial arbitrator (who shall be an attorney at law licensed to practice in California), and the final majority decision of the three arbitrators shall be final and conclusive on the Parties. Each appointment of an arbitrator shall be deemed complete on delivery by the appointing Party of written notice of appointment of that arbitrator to the Los Angeles Regional Office of the AAA. If either Seller or Buyer fails to designate its arbitrator within the specified period after receipt of the Demand, then the arbitrator designated by the other Party shall sit as the sole arbitrator and be deemed the single, mutually approved arbitrator to resolve the Arbitrable Disputes. If the Party-appointed arbitrators are unable to appoint an impartial arbitrator, that arbitrator shall be appointed under the AAA Rules. If the Parties cannot agree on compensation for the arbitrators, they shall be compensated for their services at a rate determined by the AAA.

(c) Costs. Except as provided in this Section 10.5.1, each Party shall bear its own costs and expenses of arbitration, including but not limited to, transcript costs, filing fees, attorney fees, and fees of arbitrator appointed by the Party. Also, each Party agrees to pay half the compensation to be paid to the neutral arbitrator in the arbitration. The arbitrators shall not have the authority to allocate between the Parties in their award any fees, costs, or shares of arbitrators' compensation.

(d) Written Opinion. The arbitrators shall, on the request of either Party, issue a written opinion of their findings of fact and conclusions of law. On requesting Party's receipt of such opinion, it shall have the right to file with the arbitrators a motion to reconsider, and the arbitrators shall then reconsider the issues raised by this motion and either confirm or change their majority decision, which shall then be final and conclusive on the Parties.

(e) Applicability of Code of Civil Procedure. It is specifically contemplated and agreed by the Parties that California Code of Civil Procedure §1283.05, as it may be amended from time to time, shall be incorporated into, made a part of, and made applicable to the arbitration agreement in this Section 10.5.1.

(f) Power of Arbitrators. The arbitrators shall have the authority to issue any judgment or order, including punitive damages and equitable relief; provided that their power to provide equitable relief or specific performance shall be limited to disputes in connection with the administration of this Agreement and shall not preclude or restrict implementation of the termination provisions of this Agreement.

(g) Statute of Limitations. For purposes of the statute of limitations, the filing of an arbitration under this Section 10.5.1 is the equivalent of the filing of a lawsuit, and any Arbitrable Dispute that may be arbitrated hereunder is subject to any applicable statute of limitations. The arbitrators shall have the authority to decide whether such Arbitrable Dispute is barred by the statute of limitations, and if so, to dismiss the Demand on that basis.

(h) Disagreement on Arbitrability. If the Parties disagree on whether a dispute is an Arbitrable Dispute, the issue of arbitrability shall be resolved by litigation unless both Parties in their sole discretion agree to make the issue of arbitrability an issue to be decided by the arbitrators under this Section 10.5.1.

10.5.2. Statutory Notice. BY INITIALING IN THE SPACE BELOW, YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. ALSO, BY INITIALING IN THE SPACE BELOW, YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

THE UNDERSIGNED HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.

Seller's Initials: _____

Buyer's Initials: _____

ARTICLE 11

GENERAL PROVISIONS

11.1. Notices. Any notices relating to this Agreement shall be given in writing and shall be deemed sufficiently given and served for all purposes when delivered personally, by generally recognized overnight courier service, by facsimile (provided that sender retains a printed confirmation of delivery to the facsimile number provided below), or three (3) days after deposit in the United States mail certified or registered, return receipt requested, with postage prepaid, addressed as follows:

BUYER: City of Los Angeles
Board of Recreation and Park Commissioners

Address: 221 North Figueroa St, Street, Suite 1510
Los Angeles, CA 90012

Tel.: (213) 202-2640

Attn: Secretary - Board of Recreation and Park Commissioners

Facsimile No: (213) 202-2610

**with a copy to
Address:** Office of the City Attorney
200 North Main Street, 7th Floor
Los Angeles, CA 90012

Attn: Real Property/Environment Division

Telephone No.: (213) 978-8120

Facsimile No: (213) 978-8090

SELLER: Dreams Come True Investments, LLC and
Early Bird Encino, Inc.

Address: 4947 Encino Avenue
Encino CA 91316

Contact: Arash Pashaei,
Coldwell Banker Residential Brokerage

Telephone No: (310) 402-9161

Facsimile No:

E-mail: Arash@ColdwellBanker.com

ESCROW HOLDER: Fidelity National Title Company

Address: 5000 Van Nuys Blvd, Suite 500
Sherman Oaks, CA 91403

Contact: Martha Hernandez, Escrow Officer

Telephone No: (818) 881-7800

Facsimile No:

Either party may change its address by written notice to the other given in the manner set forth above.

11.2. Entire Agreement. The terms of this Agreement are intended by the parties as a final expression of their agreement with respect to such terms as are included in this Agreement and may not be contradicted by evidence of any prior or contemporaneous agreement. This Agreement specifically supersedes any prior written or oral agreements between the parties. The language in all parts of this Agreement shall be construed as a whole in accordance with its fair meaning and without regard to California Civil Code §1654 or similar statutes.

11.3. Amendments and Waivers. No addition to or modification of this Agreement shall be effective unless it is made in writing and signed by the party against whom the addition or modification is sought to be enforced. The party benefited by any condition or obligation may waive the same, but such waiver shall not be enforceable by another party unless it is made in writing and signed by the waiving party.

11.4. No Merger. This Agreement, each provision of it, and all warranties and representations in this Agreement shall survive the Closing and shall not merge in any instrument conveying title to Buyer. All representations, warranties, agreements, and obligations of the parties shall, despite any investigation made by any party to this Agreement, survive Closing, and the same shall inure to the benefit of and be binding on the parties' respective successors and assigns.

11.5. References. Unless otherwise stated: (a) all Article and Section references are to Articles and Sections of this Agreement, and (b) except where otherwise stated, all references to days are to calendar days. Whenever, under terms of this Agreement, the time for performance of a covenant or condition falls on a Saturday, Sunday, or

California state holiday, the time for performance shall be extended to the next calendar day. The headings used in this Agreement are provided for convenience only and this Agreement shall be interpreted without reference to such headings. The date of this Agreement is for reference purposes only and is not necessarily the date on which it was entered into.

11.6. Governing Law. This Agreement shall be governed by the laws of the State of California applicable to contracts made by residents of the State of California and to be performed in California.

11.7. Time of the Essence. Time is of the essence in the performance of the Parties' respective obligations under this Agreement.

11.8. Assignment. This Agreement shall inure to the benefit of and be binding on the parties to this Agreement and their respective successors and assigns. Buyer shall have the right to assign all or any portion of its interest in this Agreement, provided that Buyer gives written notice of such assignment to Seller before the Closing Date.

11.9. No Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer any rights or remedies under or by reason of this Agreement to any person other than the Parties and their respective permitted successors and assigns. Neither is anything in this Agreement intended to relieve or discharge any obligation of a third person to either Party hereto or give any third person a right of subrogation or action against either Party hereto.

11.10. Remedies Cumulative. The remedies set forth in this Agreement are cumulative and not exclusive to any other legal or equitable remedy available to a party.

11.11. Counterparts. This Agreement may be executed in one or more counterparts, each which shall be deemed an original, but all which together shall constitute one and the same instrument. The Parties agree that a photocopy or facsimile shall also be deemed an original of this Agreement. Additionally, the signatures of a Party which is executed by that Party and thereafter transmitted to the other Party (by facsimile or email) shall be deemed an original signature binding on the signatory to the same extent as would an original signature. Further, any Party sending this Agreement by facsimile or email, covenants and agrees that upon request of any other Party, to provide requesting Party a manually signed original version of this Agreement.

11.12. Tax-Deferred Exchange. Seller may use the proceeds from the sale of the Property to affect one or more tax deferred exchanges under Internal Revenue Code §1031. Buyer agrees to accommodate Seller in effecting such tax-deferred exchange. Seller shall have the right, expressly reserved here, to elect such tax-deferred exchange at any time before the Closing Date. Seller and Buyer agree, however, that consummation of the purchase and sale of Property under this Agreement is not conditioned on such exchange. If Seller elects to make a tax-deferred exchange, Buyer

agrees to execute such additional escrow instructions, deeds, documents, agreements, or instruments to effect this exchange, provided that Buyer shall incur no additional costs, expenses, or liabilities in this transaction as a result of or in connection with this exchange. Seller agrees to hold Buyer harmless of any claims, suits, liability, damages, or costs, including reasonable attorney fees that may arise from Buyer's participation in such exchange.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of its Effective Date.

BUYER: CITY OF LOS ANGELES, a municipal corporation,
acting by and through its Board of Recreation and
Park Commissioners

By: _____

President

By: _____

Secretary

Date: _____

APPROVED AS TO FORM :
Mike Feuer, City Attorney

By: _____

Deputy City Attorney

Date: _____

SELLER: EARLY BIRD ENCINO INC., a California corporation

By: _____

HAMID REISI, CEO

Date: _____

DREAMS COME TRUE INVESTMENTS, LLC, a
California limited liability company

By: _____

ATTEST:
HOLLY L. WOLCOTT, City Clerk

By _____
Deputy

Date: _____

CONSENT OF ESCROW HOLDER

Fidelity National Title Company (**Escrow Holder**) accepts the foregoing Purchase and Sale Agreement and Joint Escrow Instructions as escrow instructions, agrees to act as Escrow Holder and agrees to be bound by their provisions applicable to it as Escrow Holder.

Date: _____

Fidelity National Title Company

By: _____

Name: _____

Its: _____

EXHIBIT A – LEGAL DESCRIPTION OF PROPERTY

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL 1: (APN: 2634-006-040)

THE SOUTHWEST 75 FEET OF THE SOUTHEASTERLY 300 OF LOT 15, TRACT NO. 1582, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20 PAGE 93 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2: (APN: 2634-006-041)

THE NORTHEAST 75 FEET OF THE SOUTHWEST 150 FEET OF THE SOUTHEAST 300 FEET OF LOT 15, TRACT NO. 1582, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20 PAGE 93 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXHIBIT B - SITE DIAGRAM OF PROPERTY

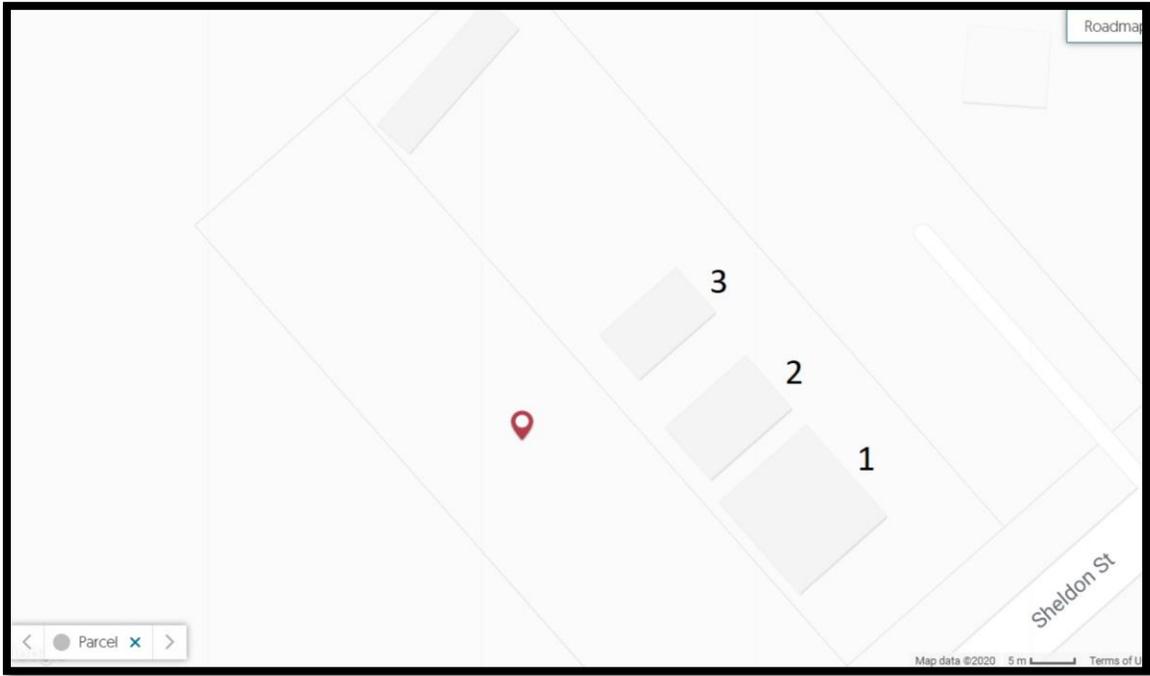


EXHIBIT C - FORM OF GRANT DEED

Free recording in accordance with California
Government Code Section 6103

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

City of Los Angeles
Board of Recreation and Parks
221 N. Figueroa Street, Suite 400
Los Angeles, California 90012

APN: 2634-006-040, & 2634-006-041

(Space Above This Line For Recorder's Use Only)

The City of Los Angeles is acquiring title pursuant to this Grant Deed. Pursuant to California Revenue and Taxation Code Section 11922, this conveyance is exempt from the Documentary Transfer Tax.

GRANT DEED

FOR VALUE RECEIVED, Dreams Come True Investment, LLC, as to Parcel 1; Early Bird Encino, Inc. as to Parcel 2 hereby grant to the City of Los Angeles, a municipal corporation ("City"), acting by and through its Board of Recreation and Park Commissioners that certain property situated in the City of Los Angeles, County of Los Angeles, State of California, described on Exhibit A attached hereto and by this reference incorporated herein ("Property"). This conveyance is subject to all matters of record or that would be revealed by a reasonably diligent inspection. The City accepts this grant with the express intention that any of City's existing interests, including without limitation existing easement or right of way interests, in the Property shall not merge into City's fee interest in the Property upon City's acquisition of the fee interest in the Property.

IN WITNESS WHEREOF, the undersigned has executed this Grant Deed dated as of _____, 2020.

EARLY BIRD ENCINO INC.

DREAMS COME TRUE
INVESTMENT, LLC

By: _____

By: _____

Name: _____

Name: _____

Its: _____

Its: _____

**EXHIBIT A
LEGAL DESCRIPTION**

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL 1: (APN: 2634-006-040)

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EXHIBIT D – FORM OF ACCEPTANCE OF DEED

Early Bird Encino Inc. and
Dreams Come True Investment. LLC

to

CITY OF LOS ANGELES, a municipal
corporation acting by and through its Board
of Recreation and Park Commissioners

JOB TITLE: 12515 Sheldon St.
APN: 2634-006-040 and 2634-006-041

=====

STANDARD INSTRUMENT

Checked as to parties, marital status, dates,
signature, acknowledgments, and corporate
seal.

=====

GRANT DEED

Date: _____, 2020

By: _____
Louie Padua, Authorized Officer

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real
property conveyed by the grant deed to the
City of Los Angeles, a municipal corporation,
to which this certification is attached, is hereby
accepted under the authority of the Board and
Park Commissioners of the City of Los
Angeles, pursuant to Resolution No. Dated and
the grantee consents to the recordation thereof,
by its duly authorized officers.

Approved as to Authority: _____, 2020.

By: _____
Sylvia Patsaouras, Board President

By: _____
Harold Arrivillaga, Secretary

By: _____
Harold Arrivillaga, Secretary

Approved as to description: _____, 2020.

By: _____
Louie Padua, Authorized Officer

Date: _____, 2020

Approved as to form: _____, 2020.

Michael N. Feuer, City Attorney

By: _____
Deputy City Attorney

Board Report No. _____

EXHIBIT E - DEFINITION OF HAZARDOUS SUBSTANCES

"Hazardous Substances" means, without limitation: (a) those substances included within the definitions of "hazardous materials," "hazardous substances," "toxic substances," or "solid waste" in CERCLA, RCRA, and the Hazardous Materials Transportation Act, 49 U.S.C. §1801 et seq., and in the regulations promulgated pursuant to those laws; (b) those substances defined as "hazardous wastes" in Section 25117 of the California Health & Safety Code, or as "hazardous substances" in Section 25316 of the California Health & Safety Code, and in the regulations promulgated pursuant to those laws; (c) those substances listed in the United States Department of Transportation Table (49 C.F.R. 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) as hazardous substances (40 C.F.R. part 302 and amendments thereto); (d) any material, waste or substance which is (i) petroleum, (ii) asbestos, (iii) polychlorinated biphenyls, (iv) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. 1251 et seq. (33 U.S.C. 1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. 1317); (v) flammable explosives, or (vi) radioactive materials; and (e) such other substances, materials and wastes which are or become regulated under applicable local, state or federal law, or which are classified as hazardous or toxic under federal, state, or local laws.

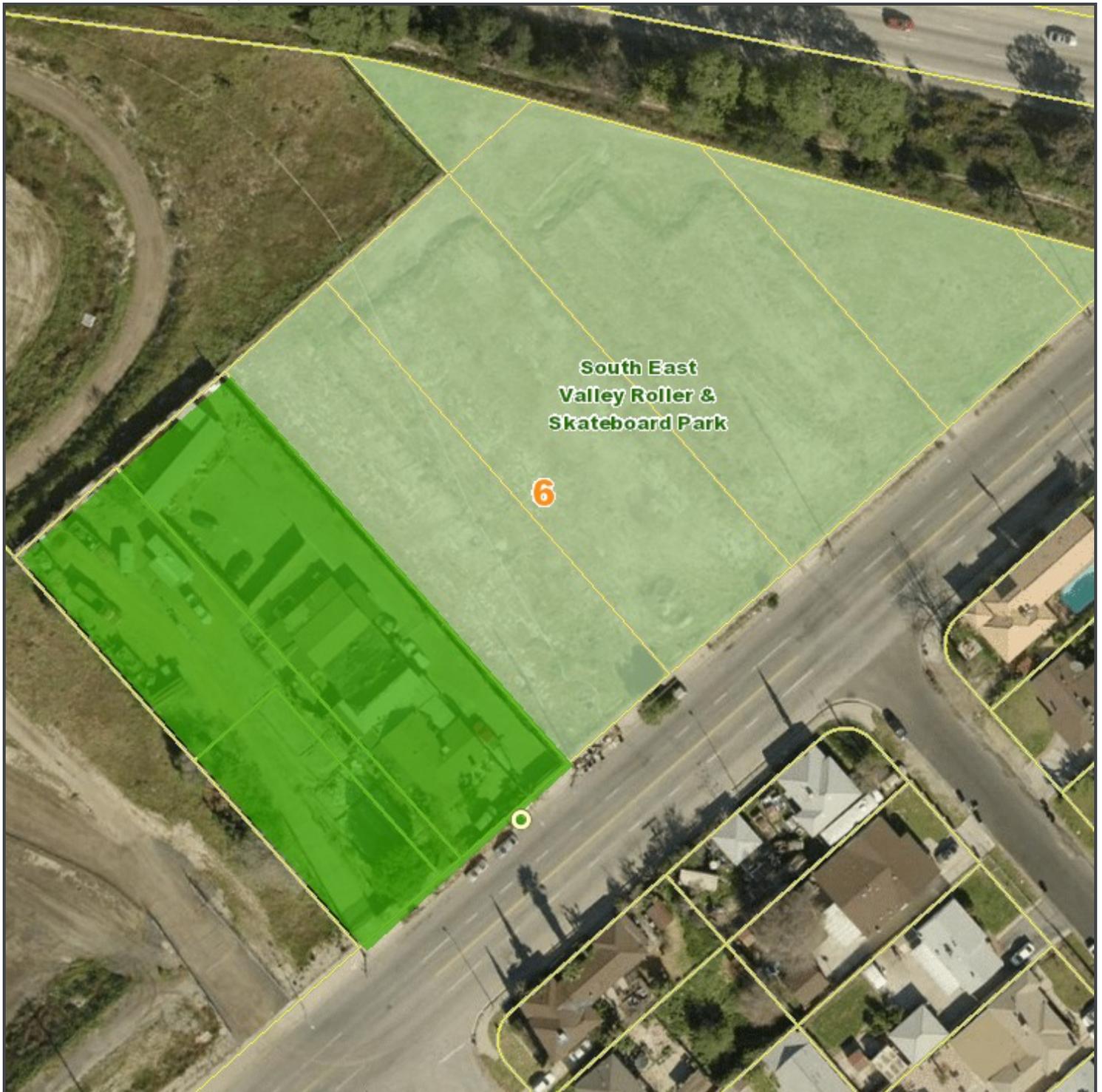


EQUITABLE PARKS & AMENITIES
DECISION SUPPORT SYSTEM

Attachment 4 Exhibit A-2

South East Valley Roller -
Acquisition

APN: 2634-006-040, 041



Disclaimer: This map is for informational purposes only and relies on data from a variety of sources, which may or may not be accurate or current. The City of Los Angeles assumes no responsibility arising from the use of this map. The map and associated data are provided "as is" without warranty of any kind.

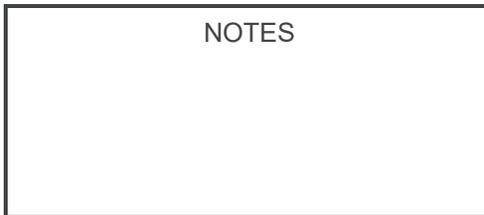
© City of Los Angeles, Department of Recreation and Parks



SCALE 1: 1,128



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Printed: 06/01/2020