

APPROVED

June 16 2022

BOARD OF RECREATION AND PARK COMMISSIONERS

BOARD REPORT

NO. 22-171

DATE June 16, 2022

C.D. 3

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: RESEDA SKATE FACILITY – ACQUISITION OF 18214 SHERMAN WAY PROPERTY – FINAL AUTHORIZATION TO ACQUIRE PROPERTY FOR EXPANSION AND DEVELOPMENT FOR PARK PURPOSES – CATEGORICAL EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO PUBLIC RESOURCES CODE SECTION 21080 AND ARTICLE 19 SECTIONS 15325 [TRANSFER OF OWNERSHIP OF INTEREST IN LAND IN ORDER TO PRESERVE OPEN SPACE, HABITAT OR HISTORICAL RESOURCES] AND 15332 [IN-FILL DEVELOPMENT] OF CALIFORNIA CEQA GUIDELINES

AP Diaz	_____	M. Rudnick	_____
H. Fujita	_____	<i>FUE</i> C. Santo Domingo	<i>DF</i> _____
J. Kim	_____	N. Williams	_____

Nad Denise Williams for
General Manager

Approved X

Disapproved _____

Withdrawn _____

RECOMMENDATIONS

1. Authorize the Department of Recreation and Parks (RAP) to acquire portions of the parcels currently identified by Assessor Parcel Number: (APN:) 2125-036-105 and 2125-036-106, located at 18214 Sherman Way, Los Angeles, CA 91335 and as more fully set forth in the Purchase and Sale Agreement attached hereto as Attachment 2 to this Report (Property), in connection with the Reseda Skate Facility Project;
2. Adopt a Resolution, herein included as Attachment 1, authorizing the acquisition of the Property and authorizing Department of Recreation and Parks' (RAP) staff to request the assistance of the General Services Department (GSD) and other City departments, per Charter Section 594(a) and (b), in obtaining fee title to the Property, which totals a 0.15 acre or 6,625 square foot parcel, located at APNs 2125-036-105 and 2125-036-106, located at 18214 Sherman Way, Los Angeles, CA 91335, and approving the necessary agreements;
3. Approve the use of One Million, Three Hundred Thousand Dollars (\$1,300,000.00) in AB1290 Funds for the acquisition of the Property;

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4. Grant final approval to purchase the Property, contingent upon the following conditions:
 - A. Sufficient funding will be made available for the acquisition of the Property through AB1290 Funds or other funding source(s) to be identified;
 - B. Sufficient funding will have been identified and approved by the City Council to pay for the City's share of the closing costs for the acquisition of the Property;
 - C. Confirmation from the Department of General Services (GSD) of the clearance/resolution of all Liens and any Title issues prior to closing of escrow for the purchase and sale of the Property;
 - D. Any additional required environmental assessments, if needed, will have been completed and satisfied prior to close of escrow for the purchase and sale of the Property;
5. Approve a proposed Purchase and Sale Agreement (PSA) for the Property, substantially in the form on file in the Board of Recreation and Park Commissioners' (Board) Office and attached as Attachment 2 to this Report, for the acquisition of the Property for a purchase price of One Million, Two Hundred Sixty Six Thousand Dollars (\$1,266,000.00), subject to the approval of the City Attorney as to form; and subject to confirmation from RAP staff and GSD that all required conditions of approval 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. Authorize the Board President and Secretary to, upon notice from GSD that the purchase of the Property has received all required approvals, and upon completion and approval of all conditions indicated in this Board Report, execute the PSA, as well as all related documents necessary for the purchase of the Property;
7. Direct the Board Secretary to execute the escrow instructions and to accept the grant deed to the Property, which shall be set apart and dedicated as park property in perpetuity;
8. Determine that the proposed acquisition of the Property (Project) is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21080 and Article 19, Sections 15325 [Transfer of ownership of interest in land in order to preserve open space, habitat or historical resources] and 15332 [In-fill development] of California CEQA Guidelines;
9. Authorize RAP's Chief Accounting Employee to make technical corrections as necessary to establish the necessary accounts to acquire the Property, and to accept and/or authorize transfer of the necessary monies to fund the acquisition to the appropriate City Department accounts or escrow company account in order to carry out the intent of this

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Report; and,

10. Authorize the RAP General Manager, or designee, and City Attorney to make technical corrections, as needed, to carry out the intent of this Report and authorize staff to implement those technical adjustments in order to expeditiously complete the acquisition.

SUMMARY

On January 17, 2018, the Board of Recreation and Parks Commissioners (Board) authorized RAP to proceed with the acquisition of certain CRA/LA parcels for the construction of the Reseda Skate Facility (Report No. 18-014). The Board action included various requests for GSD to implement the property acquisition on behalf of RAP. The Board also approved the proposed conceptual plan for the project to locate the roller hockey rink and the ice skating rink on the 18210 Sherman Way parcel and locate the parking lot on the 18128 Sherman Way parcel.

The conceptual plan for the Reseda Skate Facility Project included:

1. A 60' x 120' roller hockey rink built on grade with a shade structure and 1,200 square-foot building to house related rink offices, restrooms and storage.
2. An approximately 26,800 square-foot ice rink building with a 85' x 200' ice surface, cooling infrastructure, ice grooming equipment storage, Zamboni machine room, locker rooms for two teams, restrooms, office space, public seating, skate rental area, pro shop and concessions space, and other ancillary spaces required by ice hockey and figure skating.
3. A 127-space parking lot with driveways, fencing, landscaping and security lighting.

The CRA/LA properties located at 18128 and 18210 Sherman Way were acquired on September 7, 2018.

After the acquisition of the CRA/LA properties, Bureau of Engineering initiated predesign activities for the project in November 2019. During the predesign, it was determined that additional space would be needed in order to achieve the optimal and most cost-efficient design for the facility that also meets all the programming and operation and maintenance requirements. This additional space, if acquired, would be used to expand the footprint of the Reseda Skate Facility, to allow the inclusion of adequate Fire Lane and other requirements, without the need to construct a multi-story facility on the CRA/LA properties. The additional space would greatly increase the chance to have all of the administrative facilities and programming space for the Reseda Skate Facility on one floor, thereby achieving cost savings to the project

On June 30, 2020, a motion introduced by the Office of Council District 3 (CD3) instructed GSD, with the assistance of RAP and the City Attorney, to negotiate a purchase and sale agreement with the owner of the property adjacent to the CRA/LA properties, to acquire approximately 6,625 square feet (25' x 265') of the surface parking lot located at 18214 Sherman Way (APNs 2125-036-105 and 2125-036-106) to accommodate the development plans for the Reseda Skate

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Facility (C.F. 20-0856). The Property is currently being used as a parking lot by Magnolia Science Academy (Magnolia).

On October 1, 2020, the Board authorized RAP to initiate the process for the possible acquisition of the Property and complete preliminary acquisition activities, and directed staff to return to the Board with escrow instructions and related documents for the Board's final approval to acquire the Property (Report No. 20-195).

Related to the acquisition of the Property, on February 3, 2022, the Board approved the call for bids for the construction of the proposed Reseda Skate Facility – Ice Skating and Roller Rink (PRJ21167) (PRJ21326) (W.O. #E170121F) Project (Report No. 22-029). The bids were due on May 4, 2022. The award of the contract for the construction of the facility will come back to the Board for future consideration and the Notice to Proceed shall only be issued upon the completion of the acquisition of the Property.

Purchase and Sale Agreement

The seller of the Property (Seller) and City have come to an agreement on the terms and conditions for purchase of the Property, the terms of which are in the draft Purchase and Sale Agreement (PSA) attached as Attachment 2 to this Report.

It should be noted that the Property includes a portion of an existing's infiltration trench of Seller. Section 8.4 of the PSA describes that the future removal of that portion of the infiltration trench will be completed at the sole cost of the City and shall be in conformance with all federal, state, and local requirements.

Of note, Section 8.5 of the PSA references a letter from RAP sent to the Seller and Magnolia (as shown in Attachment 3), in which RAP agrees to work in good faith with Magnolia to develop a Memorandum of Understanding to allow for consideration of the use by Magnolia of the Reseda Skate Facility in the future for hockey classes, practice or other approved uses and to work on any mutually beneficial uses that benefit public use by local and adjacent students from Magnolia Science Academy 1.

Funding Sources

The Office of Council District 3 transferred and appropriated One Million, Three Hundred Thousand Dollars (\$1,300,000.00) in AB1290 Funds for the acquisition of the Property (C.F. 20-0856). This amount is sufficient to complete the acquisition of the Property.

Acquisition Cost and Closing Date

An appraisal of the Property was completed on March 11, 2022, which concluded that the market value of the Property was One Million, One Hundred Seventy Two Thousand Dollars

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(\$1,172,000.00) as of March 8, 2022. The appraisal included severance costs to cover the loss of Magnolia's parking spaces. The negotiated final purchase price for the Property is One Million, Two Hundred Sixty Six Thousand Dollars (\$1,266,000.00). GSD considers this an acceptable acquisition price for the property and recommends approval of this acquisition. In addition to this purchase price, RAP will pay up to \$31,000 in closing costs for the acquisition.

The closing date for the escrow for this acquisition is to occur no later than the expiration of the term of the escrow. The term of the escrow is the earlier of July 25, 2022 or 30 days from escrow opening.

ENVIRONMENTAL IMPACT

The proposed Board's action is part of the processes needed to build a roller hockey rink and an ice skating rink on 18210 Sherman Way. As such, pursuant to Section 15378 of California CEQA Guidelines, its environmental impact has to be assessed within the evaluation of the proposed Project as a whole.

The proposed Project consists of a transfer of ownership of interests in land in order to preserve open space and of an infill development.

The Project was evaluated for environmental impact in accordance with the CEQA on January 17, 2018 and the Board determined that the proposed Project is categorically exempt from CEQA pursuant to the State CEQA Guidelines Article 19, Section 15325 and 15332 (Report No 18-014). A Notice of Exemption (NOE) for the project was filed with the Los Angeles County Clerk Registrar/Recorder on January 24, 2018.

However, subsequent to the filing of the NOE, the Project scope was modified to include the acquisition of a portion of the adjacent parcel to the west of the Project Site (18214 Sherman Way, (Assessor Parcel Number: (APN:) 2125-036-105 and 2125-036-106) to accommodate the ice rink facility. Additionally, at the time the Project was initially evaluated, the City used volume-to-capacity (V/C) ratios and levels of services (LOS) for the traffic impact analysis and the City has since moved to evaluation based on Vehicle Miles Traveled. A new traffic analysis was therefore due.

The project still qualifies for a Class 32 Categorical Exemption for the following reasons.

- It is consistent with the planning policies of the City of Los Angeles which establish open space zones and grant RAP special authority to control the use of specific types of City land and facilities, thus exempting RAP from the regulations of Chapter 1 of the LAMC and General Provisions and Zoning chapters that may be adopted in the future.
- It is located within the City of Los Angeles developed on a 2.13 acres site, smaller than 5 acres, and is surrounded by urban uses
- The Project site has no value as habitat for endangered, rare or threatened species.

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- As part of the evaluation and in consultation with the Los Angeles Department of Transportation, City staff determined the Project is a local serving, low traffic and low VMT-generating land use. No significant effects relating to traffic, noise, air quality, or water quality were identified. .

Appropriate best management practices are included in the proposed Project to control its potential significant effect due to unusual circumstances.

As of June 7, 2022 the State Department of Toxic Substances Control (DTSC) (Envirostor at www.envirostor.dtsc.ca.gov) and the State Water Resources Control Board (SWCB) (Geotracker at <https://geotracker.waterboards.ca.gov/>) have not listed the Project site or any contaminated sites near the Project area (within 500 feet). A *Phase I Environmental Site Assessment* dated November 8, 2017, and a *Limited Phase II Environmental Site Assessment* dated December 28, 2017 for the CRA/LA properties of the project (Assessor Parcel Numbers APNs2125-036-900 through -903) found that a vapor encroachment condition (VEC) exists on the northeastern portion of the CRA/LA properties site due to its proximity to several dry-cleaning establishments. Additional *Limited Phase II Environmental Site Assessments* for these properties were conducted in May and September 2018 and confirmed that no additional contamination existed on the site.

With regards to the Property, APNs 2125-036-105 and 2125-036-106, a *Phase 1 Environmental Site Assessment* was completed July 2021. The study concluded that, given the proposed Project includes a vapor barrier and that existing concentration of Volatile Organic Compounds (VOC) are low, a Phase II ESA was not warranted. Instead, the study recommended to assess the subsurface of the Property for impacts to soil from the former on-site agricultural operations and soil sampling for offsite disposal for waste profiling purposes, to facilitate excavation and off-site disposal of soil during redevelopment.

A Soil Management Plan, dated July 21, 2021 provides means to identify, manage, and legally remove any soil with detectable concentrations of constituents above applicable residential soil human health screening levels, and requires verification/confirmation sampling after final excavation depths have been reached.

As previously mentioned, due to the limited presence of volatile organic compounds in the soil, in accordance with applicable local and State regulations, the proposed Project also includes the installation of vapor barrier underneath the enclosed ice skating rink and appurtenant features to offset potential vapor intrusion from off-site chemicals.

According to the Caltrans Scenic Highway Map there is no scenic highway located within the vicinity of the proposed Project or within its site. Furthermore, the proposed Project is not located in proximity of a known historical resources and will not cause a substantial adverse change in the significance of any historical resource.

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Based on this information, staff recommends that the Board determine that the proposed Project is categorically exempt pursuant to State CEQA Guidelines Article 19, Section 15325 and 15332. Staff will file a NOE with the Los Angeles County Clerk upon Board's approval).

FISCAL IMPACT

At this time, there is no fiscal impact to RAP's General Fund. However, once the total Reseda Skate Facility Project, consisting of the construction of the roller hockey and ice skating rinks and ancillary improvements, is completed, operational maintenance cost will be determined and a request for funding, if necessary, would be submitted in future RAP annual budget requests.

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 Angeleno has walkable to a park in their neighborhood

Result: This acquisition would allow for the construction of the new Reseda Skate Facility that also meets all the programming and operation and maintenance requirements. The new Reseda Skate Facility will serve approximately 5,563 City residents.

This report was prepared by Meghan Luera, Senior Management Analyst I, Planning, Maintenance and Construction Branch.

ATTACHMENTS

- 1) Attachment 1 – Resolution
- 2) Attachment 2 – Purchase and Sale Agreement
- 3) Attachment 3 – Letter Dated May 20, 2022 from RAP to Magnolia re: Magnolia Ice Rink Use
- 4) Attachment 4 – Map of Property

RESOLUTION NO. _____

WHEREAS, the Department of Recreation and Parks (RAP) proposes to acquire portions of the parcels currently identified by Assessor Parcel Number: (APN:) 2125-036-105 and 2125-036-106, located at 18214 Sherman Way, Los Angeles, CA 91335 (Property), in connection with the Reseda Skate Facility project; and,

WHEREAS, the City Council has requested that RAP, with the assistance of the Department of General Services (GSD) and all other affected Departments, acquire the Property in connection with the Reseda Skate Facility project; and,

WHEREAS, on October 1, 2020, the Board of Recreation and Park Commissioners of the City of Los Angeles (Board) authorized RAP to initiate the process for the possible acquisition of the Property and complete preliminary acquisition activities, and directed staff to return to the Board with escrow instructions and related documents for the Board's final approval to acquire the Property; and,

WHEREAS, GSD has reviewed the appraisal reports for the Property and determined that the purchase price for the Property is consistent with their professional opinion of market value, including escrow fees and title insurance fees; and,

WHEREAS, pursuant to the terms of the Purchase and Sale Agreement (PSA) for the acquisition of the Property in the form approved by the Board, the City has agreed to purchase the Property at the fair market value of One Million Two Hundred Sixty Six Thousand Dollars (\$1,266,000.00); and,

WHEREAS, the acquisition of the Property will be paid for by AB1290 Funds in Account No. 205/88/88THMF and shall not exceed One Million Three Hundred Thousand Dollars (\$1,300,000.00) per Council File No. 20-0856; and,

WHEREAS, RAP staff requests authority to proceed with the final acquisition of the Property in order to ensure Property acquisition is expedited and property is acquired and preserved as park property in perpetuity.

NOW, THEREFORE, BE IT RESOLVED that the Board authorizes RAP to acquire the Property, which is comprised of portions of two parcels (Los Angeles County Assessor's Parcel Numbers (APN) 2125-036-105 and 2125-036-106) totaling approximately 6,625 square feet or 0.15 acres, and located at 18124 Sherman Way in the Reseda area of the City, in accordance with the terms and conditions of the PSA; and,

BE IT FURTHER RESOLVED that GSD, and other Departments as necessary, per Charter Section 594(a) and (b), be requested to assist RAP in obtaining fee title to the Property; and,

BE IT FURTHER RESOLVED that RAP's Chief Accounting Employee is authorized to set up any necessary accounts and transfer the necessary monies to the appropriate City Departments accounts and/or Escrow accounts designated for the acquisition of the Property; and,

BE IT FURTHER RESOLVED that, in order to expedite the acquisition of the Property, the Board grants authority to the RAP General Manager, GSD and City Attorney's Office to make technical corrections, as needed, to carry out the intent of the Board Report which adopted this Resolution and authorizes staff to implement those technical adjustments in order to expeditiously complete the acquisition of the Property; 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, upon successful acquisition, is directed to accept the grant deed for the subject Property, which is to be set apart and dedicated as park property in perpetuity known as the "Reseda Skate Facility".

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 _____, 2022 (Report No. _____).

Takisha Sardin, Secretary

Resolution No. _____

**PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**

Between

**MPM SHERMAN WAY LLC,
a California limited liability company**

(“SELLER”)

And

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

(“BUYER”)

FOR PROPERTY LOCATED AT

**18214 Sherman Way
Reseda, CA 91335**

**ASSESSOR PARCEL NUMBERS
Portions of 2125-036-105 and 2125-036-106**

DATED AS OF: June 15, 2022

Escrow No. _____
Date of Opening of Escrow: _____

PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

This Purchase and Sale Agreement and Joint Escrow Instructions (“**Agreement**”) is dated, for identification purposes only, as of June 15, 2022, by and between the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Recreation and Parks Commissioners (“**Buyer**” or “**City**”), and MPM SHERMAN WAY LLC, a California limited liability company (“**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 that certain land described on **Exhibit A** attached hereto and depicted on **Exhibit B** attached hereto (“**Land**”), currently consisting of a parking lot, together with all improvements thereon (collectively, the “**Real Property**”).

B. Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Property (as defined below), subject to the terms and conditions of this Agreement.

C. This Agreement is neither valid nor binding on Buyer unless and until all approvals required under the City Charter of the City of Los Angeles and the Administrative Code of the City of Los Angeles have been granted, including, without limitation, approval from the City’s Board of Recreation and Parks Commissioners (“**Board**”).

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, which date 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 to Buyer, and Buyer agrees to purchase from Seller, the Property described in Section 1.3 below.

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

1.3.1. Real Property. The Real Property (as defined above);

1.3.2. Tangible Personal Property. All of Seller's right, title and interest, in the equipment, machinery, furniture, furnishings, supplies and other tangible personal property, if any, owned by Seller and now or hereafter located on, and used in connection with the operation, ownership or management of, the Real Property; and

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.

ARTICLE 2

PURCHASE PRICE

2.1. Consideration. The purchase price of the Property is One Million Two Hundred Sixty-Six Thousand and NO/100 Dollars (\$1,266,000.00) payable in cash to Seller in accordance with this Agreement ("**Purchase Price**").

2.2 Payment. Buyer shall pay the Purchase Price as follows: At least three (3) business 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 Article 3 below). Buyer is not required to submit any deposit prior to the submittal of the Purchase Price.

ARTICLE 3

OPENING AND CLOSING OF ESCROW

3.1. Opening of Escrow. The escrow account to be opened in connection with this Agreement shall be referred to herein as the "**Escrow**". The "**Opening of Escrow**" shall occur upon Escrow Holder's receipt of a fully-executed copy of this Agreement. For purposes of this Agreement, the escrow holder shall be Fidelity National Title Company located at 555 S. Flower Street, Suite 4420, Los Angeles, CA 90071 Attention: Bobbie Purdy ("**Escrow Holder**"). Also, this Agreement shall serve as the Parties' joint 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 on the first page of the counterparts of this Agreement. Additionally, Escrow Holder shall deliver to Buyer and Seller each a fully-executed copy of this Agreement and retain an original in Escrow.

3.2. Term of Escrow. The term of this Escrow shall be the earlier of the

following: (i) July 25, 2022 and (ii) thirty (30) calendar days commencing on the Opening of Escrow ("**Term of Escrow**"), unless extended by mutual written agreement of the Parties. 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**"). In light of Seller's delivery of the Inspection Documents (defined below in Section 8.1.1) prior to the Effective Date, Buyer has had the opportunity to complete its due diligence of the Property prior to the Effective Date and is satisfied with the condition of the Property. Accordingly, no due diligence period is requested by Buyer under this Agreement.

3.3. Close of Escrow. The "**Close of Escrow**" for the purchase and sale of the Property shall occur: (a) following Seller's and Buyer's respective deliveries into Escrow (Sections 3.4 and 3.5 below), (b) following the satisfaction or waiver of Buyer's and Seller's respective conditions to Close of Escrow (Articles 4 and 5 below), and (c) upon Escrow Holder's recordation of the Grant Deed.

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

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

3.4.2. Partial Reconveyance. As a condition precedent to both Seller's obligation to sell the Property and Buyer's obligation to buy the Property, Seller will deliver a Partial Reconveyance of Deed of Trust ("**Partial Reconveyance**") that releases from the Property the lien of that certain deed of trust, recorded with the County Recorder's Office of the County of Los Angeles ("**County Recorder**") as instrument number 2014-664270, which was amended and restated on or about September 6, 2017, pursuant to instrument number 2017-1009195 ("**Existing Deed of Trust**");

3.4.3. 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;

3.4.4. 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

3.4.5. 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) business days prior to the Closing Date, Buyer shall deposit in Escrow the following funds and documents duly executed in form and substance reasonably satisfactory to Seller:

3.5.1. Purchase Price. The Purchase Price in accordance with Article 2, plus or minus prorations described 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, the form for which is attached to the form of the Grant Deed;

3.5.4 [reserved]

3.5.5. 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, concurrently, the Grant Deed and the Partial Reconveyance with the Office of the Recorder of the County of Los Angeles;

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 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(s) required under the Internal Revenue Code.

3.7. Prorations. All receipts and disbursements related to 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) calendar 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 all liens and encumbrances against the Property, except for the Permitted Exceptions (as defined below);

3.8.2. Escrow costs shall be borne solely by Buyer so long as such escrow costs, together with all other closing costs incurred by Buyer (including, without limitation, those costs set forth in Sections 3.8.3 and 3.8.4 below) do not exceed the sum of \$31,000 in the aggregate (such aggregate cap, the “**Buyer Closing Cost Cap**”). Seller shall be responsible for escrow costs and other closing costs, if any, that exceed the Buyer Closing Cost Cap.

3.8.3. Buyer shall reimburse Seller through escrow the sum of \$2,752.50 for costs incurred for a land use consultant for off-site parking services that were performed based on Buyer's request to purchase the Property, subject to the Buyer Closing Cost Cap.

3.8.4. Subject to the Buyer Closing Cost Cap, Buyer shall pay the cost of an owner's CLTA Standard Coverage Owner's Policy issued by the Title Company (as defined below) and the cost of any endorsements 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. Commitment to Issue Title Policy. Title Company shall be unconditionally and irrevocably committed to issue to Buyer an CLTA Standard Coverage Owner's Policy, insuring fee simple title to the Property in Buyer ("**Title Policy**"), which policy shall substantially be in the form of the preliminary title report attached hereto as **Exhibit D ("Preliminary Title Report")**, except that the following title exceptions identified in the Preliminary Title Report shall be removed, at Seller's sole cost and expense, from the actual Title Policy issued upon Close of Escrow: (a) the Existing Deed of Trust, identified as exception number 7 in the Preliminary Title Report, and (b) that certain unrecorded lease between Seller, as lessor, and Magnolia Educational and Research Foundation, as lessee, identified as exception number 8 in the Preliminary Title Report (collectively, the "**Objected Exceptions**"). As used herein, the term "**Permitted Exceptions**" shall mean those title exceptions specified in the Preliminary Title Report, excluding the Objected Exceptions.

4.1.1. Allocation of Certain Permitted Exceptions. Seller and Buyer acknowledge that the Preliminary Title Report covers both the Property and land that shall continue to be owned by Seller after the Close of Escrow (such land, the "**Seller Remaining Property**") and that certain of the Permitted Exceptions are not intended to apply to, or be binding upon, the Property. Seller and Buyer agree that, as between Seller and Buyer, the following Permitted Exceptions shall solely apply to, and be binding upon, the Seller Remaining Property, and Seller shall solely be responsible for the covenants and obligations set forth in such Permitted Exceptions: (1) that certain Master Covenant and Agreement, recorded with the County Recorder as instrument number 2017-1231922, identified as exception number 9 in the Preliminary Title Report, (2) that certain Covenant and Agreement Regarding Maintenance of Building, recorded with the County Recorder as instrument number 2017-1455127, identified as exception number 10 in the Preliminary Title Report, (3) that certain Master Covenant and Agreement Regarding On-Site Stormwater Mitigation Measures and Maintenance, recorded with the County Recorder as instrument number 2018-0176559, identified as exception number 11 in the Preliminary Title Report, (4) that certain Covenant and Agreement Regarding Maintenance of Off-Site Parking Space, recorded with the County Recorder as instrument number 2018-0176561, identified as exception number 12 in the Preliminary Title Report, and (5) that certain Master Covenant and Agreement, recorded with the County Recorder as instrument number 2018-0302146, identified as exception number 13 in the Preliminary Title Report. Seller's obligations under this Section 4.1.1 shall survive the Close of Escrow

4.2. Seller Compliance with Conditions. Seller shall have complied with each

and every condition and covenant of this Agreement to be kept or complied with by Seller (including without limitation all obligations of Seller under Section 3.4 above), and all of the representations and warranties made by Seller under this Agreement shall continue to be true and accurate as of the Closing Date.

4.3. Failure of Buyer Condition to Close. If a condition to close set forth in this Article 4 is not waived by Buyer or satisfied prior to Closing Date, Buyer may terminate this Agreement. If this Agreement is so terminated, then the Parties shall have no further obligations or liabilities hereunder, except as provided by law. 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 by Seller.

ARTICLE 5

SELLER'S CONDITIONS TO CLOSE OF ESCROW

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

5.1. [Reserved]

5.2. Buyer Proof of Authority. Buyer shall have obtained approval from its Board of Recreation and Parks Commissioners of this Agreement and authorization for City staff to purchase the Property.

5.3. Compliance by Buyer with Conditions. Buyer shall have complied with each and every condition and material covenant of this Agreement to be kept or complied with by Buyer (including without limitation all obligations of Buyer under Section 3.5 above), and all of the representations and warranties made by Buyer under this Agreement shall continue to be true and accurate as of the Closing Date.

5.4. Failure of Seller Condition to Close. If a condition to close set forth in this Article 5 is not waived by Seller or satisfied prior to Closing Date, Seller may terminate this Agreement. If this Agreement is so terminated, then the Parties shall have no further obligations or liabilities under this Agreement, except as required by law. Any cancellation fee or other costs of Escrow Holder or Title Company resulting from such termination for failure of a Seller condition to close shall be borne by Buyer.

ARTICLE 6

AS IS SALE; INDEMNITY

6.1 As Is Sale. BUYER ACKNOWLEDGES AND AGREES THAT UPON CLOSING, SELLER SHALL SELL AND CONVEY TO BUYER AND BUYER SHALL ACCEPT THE PROPERTY "AS IS, WHERE IS, WITH ALL FAULTS," EXCEPT TO THE EXTENT EXPRESSLY PROVIDED OTHERWISE IN THIS AGREEMENT. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, BUYER HAS NOT RELIED AND

WILL NOT RELY ON, AND SELLER HAS NOT MADE AND IS NOT LIABLE FOR OR BOUND BY, ANY EXPRESS OR IMPLIED WARRANTIES, GUARANTEES, STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY MADE OR FURNISHED BY SELLER.

6.2 Parties' Reciprocal Indemnities.

6.2.1 Buyer's Indemnity. Buyer shall indemnify, protect, defend (with counsel reasonably acceptable to Seller) and hold harmless the Seller (including its employees, officers, agents, and contractors) 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 ("**Claims**") arising out of or related to Buyer's use or occupancy of the Property after the Close of Escrow or any condition of the Property after the Close of Escrow. Buyer's obligations under this Section 6.2.1 shall survive the Close of Escrow.

6.2.2 Seller's Indemnity. Seller shall indemnify, protect, defend (with counsel reasonably acceptable to Buyer) and hold harmless the Buyer (including its employees, officials, officers, agents, and contractors) against any and all Claims arising out of or related to Seller's use or occupancy of the Property before Close of Escrow or to any condition of the Property prior to the Close of Escrow. Seller's obligations under this Section 6.2.2 shall survive the 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.

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

7.3. Maintenance and Operation. Until the Closing Date, 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. Seller Notifications. Seller shall promptly notify Buyer of: (a) material changes in the condition of the Property, or (b) material events or circumstances that would make any Seller representation or warranty under this Agreement 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. Seller has delivered, or Buyer has waived receipt of, the below-listed documents ("**Inspection Documents**") to Buyer, and such Inspection Documents are true, correct and complete copies of all the material documents related to the Property that Seller has in its possession or under its control:

- (a) **Agreements**. Copies of all easements, covenants, use restrictions, and other agreements, if any, related to the Property.
- (b) **Permits and Licenses**. Copies of all permits, licenses or certificates required by governmental authorities in connection with the Property or use of the Property.
- (c) **Property Condition Materials**. Copies of all environmental site assessments, notices-of-violation or enforcement actions regarding Hazardous Substances (defined in **Exhibit E** attached hereto), soil tests, engineering reports, inspection results, and complaints or

notices-of-violation related to the condition or safety of the Property.

- (d) 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.
- (e) 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.

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

8.1.3. 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).

8.1.4. 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.

8.1.5. 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 Title Report.

8.1.6. 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 limited liability company validly organized and existing, in good standing under State of California laws, and is qualified to do business in State of California.

8.1.7. 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 Title 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.

8.1.8. 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, or otherwise in writing to Buyer.

8.1.9. Natural Hazard Disclosure. Subject to the Buyer Closing Cost Cap, Buyer shall pay for and cause to have prepared 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 Buyer shall use same merely as part of its Inspection Documents and due diligence.

8.1.10. 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.

8.1.11. Settlement Agreement and Easement. Seller entered into that certain Settlement Agreement and Mutual Release Agreement, dated as of October 8, 2019 (the "**Malkin Settlement Agreement**"), by and between Seller, Magnolia Educational & Research Foundation dba Magnolia Public Schools, and Catherine Malkin, related to Seller's property located at 18238 Sherman Way, Reseda, California 91355 and a neighboring property to the south of such property located at 18223 Gault Street, Reseda, California 91335. The Malkin Settlement Agreement, including the proposed easement and other obligations and matters set forth therein, do not relate to or affect the Property. Seller shall be solely responsible for all matters and obligations set forth in the Malkin Settlement Agreement, and Buyer shall have no responsibility or liability thereunder.

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. Post-Closing Separation of Infiltration Trench. Any construction work performed on the Property or Seller's property that is adjacent to the Property post-closing that impacts the grading and/or drainage, including the infiltration trench that is part of Seller's property, shall be performed by the City of Los Angeles, Bureau of Engineering in conformance with all federal, state and local requirements and in conformance with applicable construction standards for such grading and drainage work, solely at Buyer's cost and expense.

8.5. Post-Closing Memorandum of Understanding Regarding Seller's Use of Ice Rink. Reference is hereby made to that certain letter dated May 20, 2022, from Michael A. Shull, General Manager for the City of Los Angeles Department of Recreation and Parks, whereby the City, acting through its Department of Recreation and Parks, agreed to work in good faith with Seller to develop a Memorandum of Understanding ("**MOU**") to allow for consideration of certain defined uses at the ice rink and to work on any mutually beneficial uses that benefit public use by local and adjacent students from Magnolia Science Academy 1. Buyer understands that Seller's reliance on such letter is a key consideration in agreeing to sell the Property for the agreed upon price.

8.6. Survival of Seller's Representations and Warranties. The Parties agree that: (a) Seller's warranties and representations in this Agreement shall survive for one (1) year after the Closing Date, and (b) if Buyer fails to provide written notice to Seller of any breach of such warranties or representations within that 1 year, 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.

8.7. Brokers. Seller represents and warrants that a real estate brokerage commission is not payable to any broker 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 Property, 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 thirty (30) calendar 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 thirty (30) 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 thirty (30) calendar day cure period. The Closing Date shall be extended if necessary to provide Seller with said 30 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 seek its general and specific (but not consequential) damages. If, after the Closing Date, Buyer determines that Seller has breached any of its representation or warranty set forth herein 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.

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 Parks Commissioners

221 North Figueroa St, Street, Suite 1510
Los Angeles, CA 90012
Tel.: (213) 202-2640
Attn: Secretary – Board of Recreation and Parks
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:

MPM SHERMAN WAY, LLC,
250 East 1st Street, Suite 1500
Los Angeles, CA 90012
Contact: Patrick Ontiveros, Esq.
General Council & Director of Facilities
Telephone No: (213) 628-3634 ext. 103
Facsimile No: (714) 362-9588
E-mail: pontiveros@magnoliapublicschools.org

ESCROW HOLDER:

Fidelity National Title Company
Address: 555 S. Flower St., Suite 4420
Los Angeles, CA 90071
Contact: Bobbie Purdy
Telephone No: (213) 452-7104
Facsimile No: (213) 452-7148
Email: bobbiepurdyteam@fnf.com

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 or City of Los Angeles 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. Post-Closing Subdivision Map Act Obligation. As a further condition precedent of Seller's obligation to sell the Property, Seller, to its good faith and reasonable, but sole discretion, shall determine that the City through its Planning Department, will issue after the Close of Escrow a certificate of compliance pursuant to the Subdivision Map Act confirming that Seller's remainder property is still a legal parcel after the Property has been conveyed to Buyer. Buyer shall cooperate with Seller in good faith so that Seller may obtain the said certificate of compliance, provided that nothing in this Section 11.12 shall impose any financial obligation on Buyer. Buyer's obligation set forth in this section shall survive the Close of Escrow.

11.13. Capacity of City as Buyer. Notwithstanding anything to the contrary in this Agreement, the capacity of Buyer in this Agreement shall be as a purchaser of property only, and any obligations or restrictions imposed by this Agreement on Buyer shall be limited to that capacity and shall not relate to or otherwise affect any activity of the City of Los Angeles in its governmental capacity, including enacting laws, inspecting structures, processing and considering entitlement applications, reviewing and issuing permits, and all other legislative, quasi-legislative, administrative, or enforcement functions of the City of Los Angeles pursuant to federal, state, or local law. The provisions of this Section 11.13 shall survive the Close of Escrow.

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

[Signatures on Following Page]

BUYER:

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

By: _____
President

By: _____
Secretary

Date: _____

APPROVED AS TO FORM:
Michael N. Feuer, City Attorney

By: _____
Deputy City Attorney

Date: _____

ATTEST:
HOLLY L. WOLCOTT, City Clerk

By _____
Deputy

Date: _____

SELLER:

MPM SHERMAN WAY LLC, a California limited
liability company

By: _____
Patrick Ontiveros, Esq.
General Counsel & Director of Facilities

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: _____

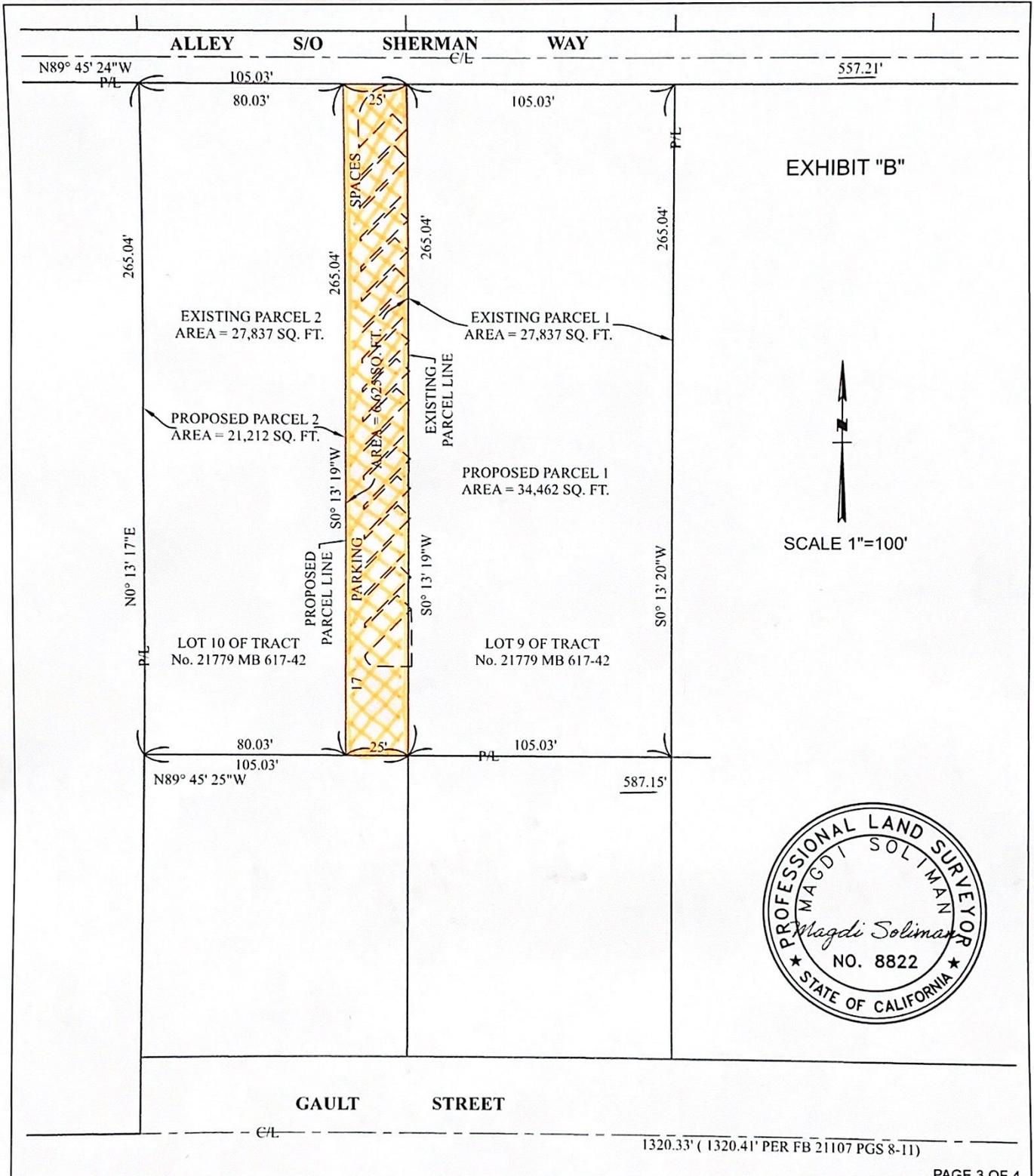
Its: _____

EXHIBIT A – METES AND BOUNDS LEGAL DESCRIPTION OF LAND

THE EASTERLY 25.00 FEET OF LOT 10 OF TRACT NO. 21799, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 617, PAGES 42 AND 44 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXHIBIT B - DEPICTION OF LAND

[see attached]



R/W _____
 D.M. 183-125 _____
 C.D. 3 _____

EXHIBIT MAP
 DEPARTMENT OF PUBLIC WORKS
 BUREAU OF ENGINEERING
 SURVEY DIVISION

ENGINEERING
 CITY OF LOS ANGELES

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
General Services Department
Real Estate Services Division
111 E. First St., Room 201
Los Angeles, California 90012
Attn: _____

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.**

APN: _____ (Portion)

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

GRANT DEED

FOR VALUE RECEIVED, MPM SHERMAN WAY LLC, a California limited liability company ("Magnolia"), hereby grants to the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Recreation and Park Commissioners ("City"), that certain real property, including all improvements thereon (collectively, "Property"), situated in the City of Los Angeles, County of Los Angeles, State of California, described on Exhibit 1 attached hereto and by this reference incorporated herein. The City accepts this grant with the express intention that any of City's existing interest, 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 _____, 20____.

[remainder of page intentionally left blank]

[Signature page to Grant Deed (Conveying Property from Magnolia to City)]

Magnolia

MPM SHERMAN WAY LLC,
a California limited liability company

By: _____
Name: _____
Its: _____
Date: _____

**MPM SHERMAN WAY LLC, a California
limited liability company**

to

**CITY OF LOS ANGELES, a municipal
corporation**

=====

GRANT DEED

=====

Date: _____, 20__

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the deed to the City of Los Angeles, a municipal corporation, to which this certification is attached, is hereby accepted by the City of Los Angeles, pursuant to Council File No. _____, and the grantee consents to the recordation thereof, by its duly authorized officers.

By: _____
Name: _____
President of the Board of Recreation and Park Commissioners
Date: _____

By: _____
Name: _____
Secretary of the Board of Recreation and Park Commissioners
Date: _____

JOB TITLE:

=====

STANDARD INSTRUMENT

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

By: _____
_____, Authorized Officer

Approved as to Authority: _____, 20__.

By: _____
_____, Authorized Officer

Approved as to description: _____, 20__.

By: _____
_____, Authorized Officer

Approved: _____, 20__.

Michael N. Feuer, City Attorney

By: _____
Edward C. Young, Deputy City Attorney

=====

Council File No. _____

**Exhibit 1
to
Grant Deed**

LEGAL DESCRIPTION of PROPERTY

[please see attached]

EXHIBIT D - PRELIMINARY TITLE REPORT

[see attached]



Issuing Policies of Chicago Title Insurance Company

ORDER NO.: **00178485-994-LT2-1TW**

Main Office Line: **(213) 488-4300**

Musick Peeler
650 Town Center Drive, Suite 1200
Costa Mesa, CA 92626
ATTN: Chet A. Cramin
Email: c.cramin@musickpeeler.com
REF:

Title Officer: Ted Tan/Jennifer Wright (LA/Comm)
Title Officer Phone: (213) 488-4331
Title Officer Fax: (213) 488-4360
Title Officer Email: TeamX77@ctt.com

PROPERTY: **18214 SHERMAN WAY, LOS ANGELES, CA**

PRELIMINARY REPORT

*In response to the application for a policy of title insurance referenced herein, **Chicago Title Company** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.*

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The policy(s) of title insurance to be issued hereunder will be policy(s) of Chicago Title Insurance Company, a Florida corporation.

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

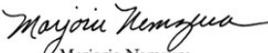
It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.

Chicago Title Company

By: 
Authorized Signature



By: 
Michael J. Nolan
President

ATTEST: 
Marjorie Nemzura
Secretary



PRELIMINARY REPORT

EFFECTIVE DATE: **June 1, 2022 at 7:30 a.m.**

ORDER NO.: 00178485-994-LT2-1TW

The form of policy or policies of title insurance contemplated by this report is:

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

A Fee.

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS [VESTED IN:](#)

MPM SHERMAN WAY, LLC, a California non-profit organization

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

See Exhibit A attached hereto and made a part hereof.

EXHIBIT "A"

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 10 OF [TRACT NO. 21799](#), IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 617, PAGES 42](#) TO 44, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

[APN: 2125-036-105](#)

[APN: 2125-036-106](#)

EXCEPTIONS

AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

A. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2022-2023.

B. An assessment by the improvement district shown below:

District: Reseda Boulevard, Sherman Way and Other Streets Maintenance District W.O. 71190
Disclosed by: Notice of Assessment
Recording Date: January 4, 1984
Recording No: as [Instrument No. 84-9117, Official Records](#)

C. An assessment by the improvement district shown below:

District: Reseda Boulevard and Victory Boulevard (And Other Streets) Maintenance District W.O. 71190
Disclosed by: Notice of Assessment
Recording Date: January 11, 1995
Recording No: as [Instrument No. 95-43897, Official Records](#)

D. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.

1. Water rights, claims or title to water, whether or not disclosed by the public records.

2. Recitals as shown on that certain map of [Tract No. 21799](#)

Recording No: in [Book 617, Pages 42](#) to 44, of Maps

Which among other things recites:

We hereby dedicate for public use for street purposes that certain strip of land designated as future street, on said map within said subdivision reserving to ourselves for the use of ourselves and successive owners of said strip of land, any and all ordinary uses of said strip of land, except for the erection or construction of buildings thereon and except for access purposes, including the laying of pipes, conduits or other underground structures therein over that strip of land until such time as the legislative shall accept the same for street purposes.

Reference is hereby made to said map for full particulars.

3. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Southern California Edison Company, a corporation
Purpose: pole lines
Recording Date: April 29, 1915
Recording No: in [Book 6028, Page 236](#), Deeds
Affects: as described therein

EXCEPTIONS (Continued)

4. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon age, race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, genetic information, medical condition, citizenship, primary language, and immigration status, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

Recording Date: April 14, 1914
Recording No: in [Book 5764, Page 115](#), Deeds

Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value.

That portion of said conditions relating to the prohibiting of handling, selling or buying of intoxication liquors has been quitclaimed to the record owner of said land by an instrument recorded February 17, 1953, as [Instrument No. 560](#), in [Book 40986, Page 311](#), Official Records.

5. Matters contained in that certain document

Entitled: Agreement and Grant of Easements
Recording Date: July 11, 1967
Recording No: as [Instrument No. 3673, Official Records](#)

Reference is hereby made to said document for full particulars.

6. The Land described herein is included within a project area of the Redevelopment Agency shown below, and that proceedings for the redevelopment of said project have been instituted under the Redevelopment Law (such redevelopment to proceed only after the adoption of the Redevelopment Plan) as disclosed by a document.

Redevelopment Agency: Community Redevelopment Agency of the City of Los Angeles
Recording Date: December 28, 1994
Recording No: as [Instrument No. 94-2276777, Official Records](#)

7. A deed of trust to secure an indebtedness in the amount shown below,

Amount: Not set out
Dated: June 1, 2014
Trustor/Grantor: MPM Sherman Way, LLC, a limited liability company
Trustee: First American Title Insurance Company
Beneficiary: The Bank of New York Mellon Trust Company, N.A.
Recording Date: June 27, 2014
Recording No: as [Instrument No. 20140664270, Official Records](#)

An assignment of the beneficial interest under said deed of trust which names:

Assignee: UMB Bank, National Association
Recording Date: September 1, 2017
Recording No: as [Instrument No. 20170997831, Official Records](#)

EXCEPTIONS (Continued)

Amended and Restated Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing

Amount: Not set out
Dated: August 1, 2017
Trustor/Grantor: MPM Sherman Way LLC, a California limited liability company who acquired title to Parcel 2 as MPM Sherman Way LLC, a limited liability company
Trustee: Fidelity National Title Insurance Company
Beneficiary: UMB Bank, National Association
Recording Date: September 6, 2017
Recording No: as [Instrument No. 20171009195, Official Records](#)

Affects: The herein described Land and other land.

8. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein as disclosed by the document

Entitled: Subordination, Non-Disturbance and Attornment Agreement
Lessor: MPM Sherman Way LLC, a California limited liability company
Lessee: Magnolia Educational and Research Foundation, a California nonprofit public benefit corporation
Recording Date: September 6, 2017
Recording No: as [Instrument No. 20171009196, Official Records](#)

The present ownership of the leasehold created by said lease and other matters affecting the interest of the lessee are not shown herein.

An agreement recorded September 6, 2017, as [Instrument No. 20171009196, Official Records](#), which states that said lease has been made subordinate to the document

Entitled: and Restated Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing
Recording Date: September 6, 2017
Recording No: as [Instrument No. 20171009195, Official Records](#)

Affects: The herein described Land and other land.

9. An instrument entitled Master Covenant and Agreement

Executed by: MPM Sherman Way LLC
In favor of: City of Los Angeles and the Department of City Planning of said City
Recording Date: October 26, 2017
Recording No: as [Instrument No. 20171231922, Official Records](#)

Reference is hereby made to said document for full particulars.

This covenant and agreement provides that it shall be binding upon any future owners, encumbrancers, their successors or assigns, and shall continue in effect until the advisory agency approves termination.

Affects: The herein described Land and other land.

EXCEPTIONS (Continued)

10. An instrument entitled Covenant and Agreement Regarding Maintenance of Building

Executed by: Caprice Young, MPM Sherman Way, LLC
In favor of: City of Los Angeles
Recording Date: December 14, 2017
Recording No: as [Instrument No. 20171455127, Official Records](#)

Reference is hereby made to said document for full particulars.

This covenant and agreement provides that it shall be binding upon any future owners, encumbrancers, their successors or assigns, and shall continue in effect until the advisory agency approves termination.

Affects: The herein described Land and other land.

11. An instrument entitled Master Covenant and Agreement Regarding On-Site Stormwater Mitigation Measures and Maintenance

Executed by: MPM Sherman Way LLC (by Caprice Young, President of Sole Member, Magnolia Properties Management Inc.)
In favor of: Bureau of Sanitation of the City of Los Angeles
Recording Date: February 22, 2018
Recording No: as [Instrument No. 20180176559, Official Records](#)

Reference is hereby made to said document for full particulars.

This covenant and agreement provides that it shall be binding upon any future owners, encumbrancers, their successors or assigns, and shall continue in effect until the advisory agency approves termination.

12. An instrument entitled Covenant and Agreement Regarding Maintenance of Off-Site Parking Space

Executed by: Caprice Young, CEO of MPM Sherman Way LLC
In favor of: City of Los Angeles
Recording Date: February 22, 2018
Recording No: as [Instrument No. 20180176561, Official Records](#)

Reference is hereby made to said document for full particulars.

This covenant and agreement provides that it shall be binding upon any future owners, encumbrancers, their successors or assigns, and shall continue in effect until the advisory agency approves termination.

Affects: The herein described Land and other land.

13. An instrument entitled Master Covenant and Agreement

Executed by: MPM Sherman Way, LLC, Caprice Young
In favor of: City of Los Angeles and the Department of City Planning of said City
Recording Date: March 29, 2018
Recording No: as [Instrument No. 20180302146, Official Records](#)

Reference is hereby made to said document for full particulars.

**EXCEPTIONS
(Continued)**

This covenant and agreement provides that it shall be binding upon any future owners, encumbrancers, their successors or assigns, and shall continue in effect until the advisory agency approves termination.

Affects: The herein described Land and other land.

14. Any easements not disclosed by the public records as to matters affecting title to real property, whether or not said easements are visible and apparent.
15. Matters which may be disclosed by an inspection and/or by a correct ALTA/NSPS Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.
16. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.

The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.

The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

PLEASE REFER TO THE "INFORMATIONAL NOTES" AND "REQUIREMENTS" SECTIONS WHICH FOLLOW FOR INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION.

END OF EXCEPTIONS

REQUIREMENTS SECTION

1. Unrecorded matters which may be disclosed by an Owner's Affidavit or Declaration. A form of the Owner's Affidavit/Declaration is attached to this Preliminary Report/Commitment. This Affidavit/Declaration is to be completed by the record owner of the land and submitted for review prior to the closing of this transaction. Your prompt attention to this requirement will help avoid delays in the closing of this transaction. Thank you.

The Company reserves the right to add additional items or make further requirements after review of the requested Affidavit/Declaration.

2. In order to complete this report, the Company requires a Statement of Information to be completed by the following party(s),

Party(s): All Parties

The Company reserves the right to add additional items or make further requirements after review of the requested Statement of Information.

NOTE: The Statement of Information is necessary to complete the search and examination of title under this order. Any title search includes matters that are indexed by name only, and having a completed Statement of Information assists the Company in the elimination of certain matters which appear to involve the parties but in fact affect another party with the same or similar name. Be assured that the Statement of Information is essential and will be kept strictly confidential to this file.

3. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance from the entity named below:

Limited Liability Company: MPM Sherman Way, LLC

- a) A copy of its operating agreement, if any, and all amendments, supplements and/or modifications thereto, certified by the appropriate manager or member.
- b) If a domestic Limited Liability Company, a copy of its Articles of Organization and all amendments thereto with the appropriate filing stamps.
- c) If the Limited Liability Company is member-managed, a full and complete current list of members certified by the appropriate manager or member.
- d) A current dated certificate of good standing from the proper governmental authority of the state in which the entity is currently domiciled.
- e) If less than all members, or managers, as appropriate, will be executing the closing documents, furnish evidence of the authority of those signing.
- f) If Limited Liability Company is a Single Member Entity, a Statement of Information for the Single Member will be required.
- g) Each member and manager of the LLC without an Operating Agreement must execute in the presence of a notary public the Certificate of California LLC (Without an Operating Agreement) Status and Authority form.

REQUIREMENTS (Continued)

4. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance by the corporation named below:

Name of Corporation: Magnolia Properties Management, Inc.

- a) A Copy of the corporation By-laws and Articles of Incorporation
- b) An original or certified copy of a resolution authorizing the transaction contemplated herein
- c) If the Articles and/or By-laws require approval by a 'parent' organization, a copy of the Articles and By-laws of the parent

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

END OF REQUIREMENTS

INFORMATIONAL NOTES SECTION

1. None of the items shown in this report will cause the Company to decline to attach ALTA Endorsement Form 9 to an Extended Coverage Loan Policy, when issued.
2. Note: The policy of title insurance will include an arbitration provision. The Company or the insured may demand arbitration. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. Please ask your escrow or title officer for a sample copy of the policy to be issued if you wish to review the arbitration provisions and any other provisions pertaining to your Title Insurance coverage.
3. Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.
4. Pursuant to Government Code Section 27388.1, as amended and effective as of 1-1-2018, a Documentary Transfer Tax (DTT) Affidavit may be required to be completed and submitted with each document when DTT is being paid or when an exemption is being claimed from paying the tax. If a governmental agency is a party to the document, the form will not be required. DTT Affidavits may be available at a Tax Assessor-County Clerk-Recorder.
5. The following Exclusion(s) are added to preliminary reports, commitments and will be included as an endorsement in the following policies:
 - A. 2006 ALTA Owner's Policy (06-17-06).
 6. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the Public Records but that would be disclosed by an examination of any records maintained by or on behalf of a Tribe or on behalf of its members.
 - B. 2006 ALTA Loan Policy (06-17-06).
 8. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the Public Records but that would be disclosed by an examination of any records maintained by or on behalf of a Tribe or on behalf of its members.
 9. Any claim of invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage based on the application of a Tribe's law resulting from the failure of the Insured Mortgage to specify State law as the governing law with respect to the lien of the Insured Mortgage.
 - C. ALTA Homeowner's Policy of Title Insurance (12-02-13) and CLTA Homeowner's Policy of Title Insurance (12-02-13).
 10. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the Public Records but that would be disclosed by an examination of any records maintained by or on behalf of a Tribe or on behalf of its members.
 - D. ALTA Expanded Coverage Residential Loan Policy - Assessments Priority (04-02-15).
 12. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the Public Records but that would be disclosed by an examination of any records maintained by or on behalf of a Tribe or on behalf of its members.
 13. Any claim of invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage based on the application of a Tribe's law resulting from the failure of the Insured Mortgage to specify State law as the governing law with respect to the lien of the Insured Mortgage.
 - E. CLTA Standard Coverage Policy 1990 (11-09-18).

**INFORMATIONAL NOTES
(Continued)**

- 7. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the public records but that would be disclosed by an examination of any records maintained by or on behalf of a tribe or on behalf of its members.
- 8. Any claim of invalidity, unenforceability, or lack of priority of the lien of the insured mortgage based on the application of a tribe's law resulting from the failure of the insured mortgage to specify state law as the governing law with respect to the lien of the insured mortgage.

6. Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.

7. Note: Property taxes, including any personal property taxes and any assessments collected with taxes, are paid. For proration purposes the amounts were:

Tax Identification No.: [2125-036-105](#)
Fiscal Year: 2021-2022
1st Installment: \$2,972.44
2nd Installment: \$2,972.43
Exemption: 0
Code Area: 08852

8. Note: Property taxes, including any personal property taxes and any assessments collected with taxes, are paid. For proration purposes the amounts were:

Tax Identification No.: [2125-036-106](#)
Fiscal Year: 2021-2022
1st Installment: \$743.54
2nd Installment: \$743.54
Exemption: 0
Code Area: 08852

END OF INFORMATIONAL NOTES

Ted Tan/Jennifer Wright (LA/Comm)/wa

Wire Fraud Alert

This Notice is not intended to provide legal or professional advice. If you have any questions, please consult with a lawyer.

All parties to a real estate transaction are targets for wire fraud and many have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email, without further verification. **If funds are to be wired in conjunction with this real estate transaction, we strongly recommend verbal verification of wire instructions through a known, trusted phone number prior to sending funds.**

In addition, the following non-exclusive self-protection strategies are recommended to minimize exposure to possible wire fraud.

- **NEVER RELY** on emails purporting to change wire instructions. Parties to a transaction rarely change wire instructions in the course of a transaction.
- **ALWAYS VERIFY** wire instructions, specifically the ABA routing number and account number, by calling the party who sent the instructions to you. **DO NOT** use the phone number provided in the email containing the instructions, use phone numbers you have called before or can otherwise verify. **Obtain the phone number of relevant parties to the transaction as soon as an escrow account is opened.** **DO NOT** send an email to verify as the email address may be incorrect or the email may be intercepted by the fraudster.
- **USE COMPLEX EMAIL PASSWORDS** that employ a combination of mixed case, numbers, and symbols. Make your passwords greater than eight (8) characters. Also, change your password often and do **NOT** reuse the same password for other online accounts.
- **USE MULTI-FACTOR AUTHENTICATION** for email accounts. Your email provider or IT staff may have specific instructions on how to implement this feature.

For more information on wire-fraud scams or to report an incident, please refer to the following links:

Federal Bureau of Investigation:
<http://www.fbi.gov>

Internet Crime Complaint Center:
<http://www.ic3.gov>

Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

Not all discounts are offered by every FNF Company. The discount will only be applicable to the FNF Company as indicated by the named discount.

FNF Underwritten Title Company

CTC – Chicago Title company
CLTC – Commonwealth Land Title Company

FNTC – Fidelity National Title Company of California
FNTCCA - Fidelity National Title Company of California

TICOR – Ticor Title Company of California
LTC – Lawyer's Title Company

SLTC – ServiceLink Title Company

Underwritten by FNF Underwriters

CTIC – Chicago Title Insurance Company
CLTIC - Commonwealth Land Title Insurance Company

FNTIC – Fidelity National Title Insurance Company
FNTIC - Fidelity National Title Insurance Company

CTIC – Chicago Title Insurance Company
CLTIC – Commonwealth Land Title Insurance Company
CTIC – Chicago Title Insurance Company

Available Discounts

DISASTER LOANS (CTIC, CLTIC, FNTIC)

The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within twenty-four (24) months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be fifty percent (50%) of the appropriate title insurance rate.

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC, FNTIC)

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be fifty percent (50%) to seventy percent (70%) of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be forty (40%) to fifty percent (50%) of the appropriate title insurance rate, depending on the type of coverage selected.

FIDELITY NATIONAL FINANCIAL, INC. PRIVACY NOTICE

Effective August 1, 2021

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, “FNF,” “our,” or “we”) respect and are committed to protecting your privacy. This Privacy Notice explains how we collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of that information.

A limited number of FNF subsidiaries have their own privacy notices. If a subsidiary has its own privacy notice, the privacy notice will be available on the subsidiary’s website and this Privacy Notice does not apply.

Collection of Personal Information

FNF may collect the following categories of Personal Information:

- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- identity information (e.g. Social Security Number, driver’s license, passport, or other government ID number);
- financial account information (e.g. loan or bank account information); and
- other personal information necessary to provide products or services to you.

We may collect Personal Information about you from:

- information we receive from you or your agent;
- information about your transactions with FNF, our affiliates, or others; and
- information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

Collection of Browsing Information

FNF automatically collects the following types of Browsing Information when you access an FNF website, online service, or application (each an “FNF Website”) from your Internet browser, computer, and/or device:

- Internet Protocol (IP) address and operating system;
- browser version, language, and type;
- domain name system requests; and
- browsing history on the FNF Website, such as date and time of your visit to the FNF Website and visits to the pages within the FNF Website.

Like most websites, our servers automatically log each visitor to the FNF Website and may collect the Browsing Information described above. We use Browsing Information for system administration, troubleshooting, fraud investigation, and to improve our websites. Browsing Information generally does not reveal anything personal about you, though if you have created a user account for an FNF Website and are logged into that account, the FNF Website may be able to link certain browsing activity to your user account.

Other Online Specifics

Cookies. When you visit an FNF Website, a “cookie” may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer’s hard drive. Information gathered using cookies helps us improve your user experience. For example, a cookie can help the website load properly or can customize the display page based on your browser type and user preferences. You can choose whether or not to accept cookies by changing your Internet browser settings. Be aware that doing so may impair or limit some functionality of the FNF Website.

Web Beacons. We use web beacons to determine when and how many times a page has been viewed. This information is used to improve our websites.

Do Not Track. Currently our FNF Websites do not respond to “Do Not Track” features enabled through your browser.

Links to Other Sites. FNF Websites may contain links to unaffiliated third-party websites. FNF is not responsible for the privacy practices or content of those websites. We recommend that you read the privacy policy of every website you visit.

Use of Personal Information

FNF uses Personal Information for three main purposes:

- To provide products and services to you or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you about our, our affiliates’, and others’ products and services, jointly or independently.

When Information Is Disclosed

We may disclose your Personal Information and Browsing Information in the following circumstances:

- to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to nonaffiliated service providers who provide or perform services or functions on our behalf and who agree to use the information only to provide such services or functions;

- to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you;
- to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order; or
- in the good-faith belief that such disclosure is necessary to comply with legal process or applicable laws, or to protect the rights, property, or safety of FNF, its customers, or the public.

The law does not require your prior authorization and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with nonaffiliated third parties, except as required or permitted by law. We may share your Personal Information with affiliates (other companies owned by FNF) to directly market to you. Please see "Choices with Your Information" to learn how to restrict that sharing.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of bankruptcy, reorganization, insolvency, receivership, or an assignment for the benefit of creditors. By submitting Personal Information and/or Browsing Information to FNF, you expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings.

Security of Your Information

We maintain physical, electronic, and procedural safeguards to protect your Personal Information.

Choices With Your Information

If you do not want FNF to share your information among our affiliates to directly market to you, you may send an "opt out" request as directed at the end of this Privacy Notice. We do not share your Personal Information with nonaffiliates for their use to direct market to you without your consent.

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you.

For California Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties, except as permitted by California law. For additional information about your California privacy rights, please visit the "California Privacy" link on our website (<https://fnf.com/pages/californiaprivacy.aspx>) or call (888) 413-1748.

For Nevada Residents: You may be placed on our internal Do Not Call List by calling (888) 714-2710 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.

For Oregon Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

For Vermont Residents: We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

Information From Children

The FNF Websites are not intended or designed to attract persons under the age of eighteen (18). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

International Users

FNF's headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that information outside of your country of residence. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such information in accordance with this Privacy Notice.

FNF Website Services for Mortgage Loans

Certain FNF companies provide services to mortgage loan servicers, including hosting websites that collect customer information on behalf of mortgage loan servicers (the "Service Websites"). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender's privacy notice. The sections of this Privacy Notice titled When Information is Disclosed, Choices with Your Information, and Accessing and Correcting Information do not apply to the Service Websites. The mortgage loan servicer or lender's privacy notice governs use, disclosure, and access to your Personal Information. FNF does not share Personal Information collected through the Service Websites, except as required or authorized by contract with the mortgage loan servicer or lender, or as required by law or in the good-faith belief that such disclosure is necessary: to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNF or the public.

Your Consent To This Privacy Notice; Notice Changes

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The Privacy Notice's effective date will show the last date changes were made. If you provide information to us following any change of the Privacy Notice, that signifies your assent to and acceptance of the changes to the Privacy Notice.

Accessing and Correcting Information; Contact Us

If you have questions, would like to correct your Personal Information, or want to opt-out of information sharing for affiliate marketing, visit FNF's [Opt Out Page](#) or contact us by phone at (888) 714-2710 or by mail to:

Fidelity National Financial, Inc.
601 Riverside Avenue,
Jacksonville, Florida 32204
Attn: Chief Privacy Officer

ATTACHMENT ONE (Revised 05-06-16)

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY – 1990

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13) ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;

- c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
 6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.
 This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
 7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
 8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
 9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 5,000.00

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13 or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

{Except as provided in Schedule B - Part II, {t{or T}his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

{PART I

{The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.}

PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:}

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

{The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records. }
7. {Variable exceptions such as taxes, easements, CC&R's, etc. shown here.}

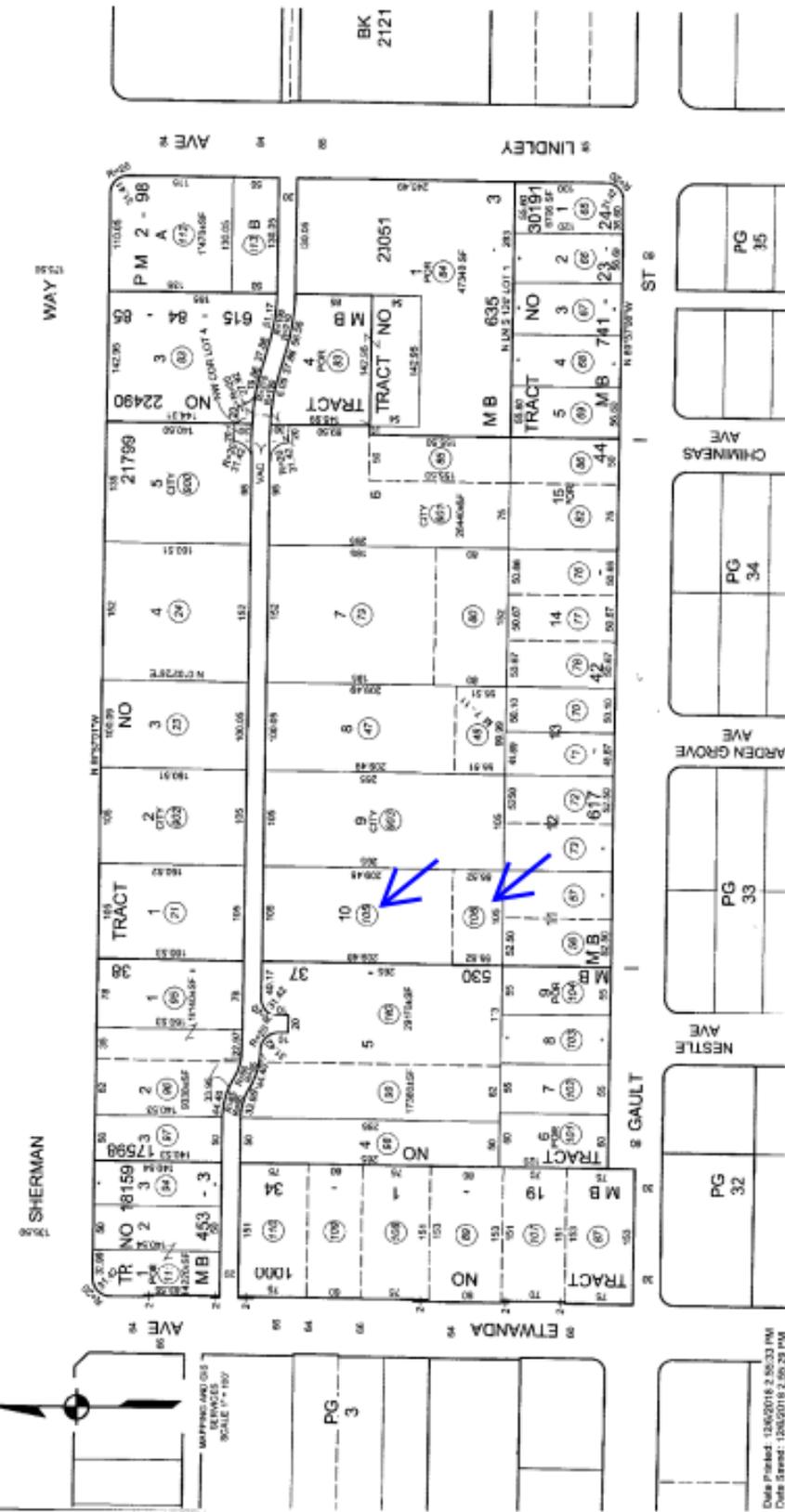
ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY – ASSESSMENTS PRIORITY (04-02-15)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

2125	36	P. A. 1763-38 SHEET 2125-37	TRA 8952	RECORDED 802117119 8702018107-57	47020003004001 8702200000004 900200	081011070002-02 200003000002-03-34 20100101019-23-34	201302100-23-34 201002075-23-24	SEARCH NO	OFFICE OF THE ASSESSOR COUNTY OF LOS ANGELES COPYRIGHT © 2002
2019		BK 2119							
		PG 32		PG 33		PG 34		PG 35	



DATE PRINTED: 12/02/2018 2:50:33 PM
 DATE ISSUED: 12/02/2018 2:50:33 PM

This map/plat is being furnished as an aid in locating the herein described Land in relation to adjoining streets, natural boundaries and other land, and is not a survey of the land depicted. Except to the extent a policy of title insurance is expressly modified by endorsement, if any, the Company does not insure dimensions, distances, location of easements, acreage or other matters shown thereon.

OWNER'S DECLARATION

Escrow No.: 00178485-994-LT2-1TW
Property Address: 18214 Sherman Way
Los Angeles, CA

The undersigned hereby declares as follows:

1. (Fill in the applicable paragraph and strike the other)
 - a. Declarant ("Owner") is the owner or lessee, as the case may be, of certain premises located at 18214 Sherman Way, Los Angeles, CA, further described as follows: See Preliminary Report/Commitment No. for full legal description (the "Land").
 - b. Declarant is the _____ of _____ ("Owner"), which is the owner or lessee, as the case may be, of certain premises located at 18214 Sherman Way, Los Angeles, CA, further described as follows: See Preliminary Report/Commitment No. for full legal description (the "Land").
2. (Fill in the applicable paragraph and strike the other)
 - a. During the period of six months immediately preceding the date of this declaration no work has been done, no surveys or architectural or engineering plans have been prepared, and no materials have been furnished in connection with the erection, equipment, repair, protection or removal of any building or other structure on the Land or in connection with the improvement of the Land in any manner whatsoever.
 - b. During the period of six months immediately preceding the date of this declaration certain work has been done and materials furnished in connection with _____ upon the Land in the approximate total sum of \$_____, but no work whatever remains to be done and no materials remain to be furnished to complete the construction in full compliance with the plans and specifications, nor are there any unpaid bills incurred for labor and materials used in making such improvements or repairs upon the Land, or for the services of architects, surveyors or engineers, except as follows: _____ Owner, by the undersigned Declarant, agrees to and does hereby indemnify and hold harmless Chicago Title Company against any and all claims arising therefrom.
3. Owner has not previously conveyed the Land; is not a debtor in bankruptcy (and if a partnership, the general partner thereof is not a debtor in bankruptcy); and has not received notice of any pending court action affecting the title to the Land.
4. Except as shown in the above-referenced Preliminary Report/Commitment, there are no unpaid or unsatisfied mortgages, deeds of trust, Uniform Commercial Code financing statements, regular assessments, special assessments, periodic assessments or any assessment from any source, claims of lien, special assessments, or taxes that constitute a lien against the Land or that affect the Land but have not been recorded in the public records. There are no violations of the covenants, conditions and restrictions as shown in the above-referenced Preliminary Report/Commitment.
5. The Land is currently in use as _____; _____ occupy/occupies the Land; and the following are all of the leases or other occupancy rights affecting the Land:

6. There are no other persons or entities that assert an ownership interest in the Land, nor are there unrecorded easements, claims of easement, or boundary disputes that affect the Land.
7. There are no outstanding options to purchase or rights of first refusal affecting the Land.
8. Between the most recent Effective Date of the above-referenced Preliminary Report/Commitment and the date of recording of the Insured Instrument(s), Owner has not taken or allowed, and will not take or allow, any action or inaction to encumber or otherwise affect title to the Land.

This declaration is made with the intention that Chicago Title Company (the "Company") and its policy issuing agents will rely upon it in issuing their title insurance policies and endorsements. Owner, by the undersigned Declarant, agrees to indemnify the Company against loss or damage (including attorneys fees, expenses, and costs) incurred by the Company as a result of any untrue statement made herein.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on _____ at _____.

Signature: _____

STATEMENT OF INFORMATION

CONFIDENTIAL INFORMATION STATEMENT TO BE USED IN CONNECTION WITH ORDER NO: 00178485-994-LT2-1TW
COMPLETION OF THIS FORM WILL EXPEDITE YOUR ORDER AND WILL HELP PROTECT YOU.

THE STREET ADDRESS of the property in this transaction is:

IF NONE LEAVE BLANK

ADDRESS:

CITY:

IMPROVEMENTS: SINGLE RESIDENCE MULTIPLE RESIDENCE COMMERCIAL
OCCUPIED BY: OWNER LESSEE TENANTS
ANY PORTION OF NEW LOAN FUNDS TO BE USED FOR CONSTRUCTION: YES NO

NAME

SPOUSES NAME

FIRST MIDDLE LAST

FIRST MIDDLE LAST

BIRTHPLACE BIRTH DATE

BIRTHPLACE BIRTH DATE

I HAVE LIVED IN CALIFORNIA SINCE SOCIAL SECURITY NUMBER

I HAVE LIVED IN CALIFORNIA SINCE SOCIAL SECURITY NUMBER

DRIVER'S LICENSE NO. _____

DRIVER'S LICENSE NO. _____

WIFE'S MAIDEN NAME: _____

WE WERE MARRIED ON _____

AT _____

RESIDENCE(S) FOR LAST 10 YEARS

NUMBER AND STREET CITY FROM TO

OCCUPATION(S) FOR LAST 10 YEARS

HUSBAND

PRESENT OCCUPATION FIRM NAME ADDRESS NO. OF YEARS

PRIOR OCCUPATION FIRM NAME ADDRESS NO. OF YEARS

PRIOR OCCUPATION FIRM NAME ADDRESS NO. OF YEARS

WIFE

PRESENT OCCUPATION FIRM NAME ADDRESS NO. OF YEARS

PRIOR OCCUPATION FIRM NAME ADDRESS NO. OF YEARS

PRIOR OCCUPATION FIRM NAME ADDRESS NO. OF YEARS

FORMER MARRIAGES: IF NO FORMER MARRIAGES, WRITE NONE

NAME OF FORMER SPOUSE _____

IF DECEASED: DATE _____ WHERE _____

CURRENT LOAN ON PROPERTY

PAYMENTS ARE BEING MADE TO: 1. _____ 2. _____

3. _____

HOMEOWNERS ASSOCIATION _____ NUMBER: _____

DATE _____ SIGNATURE _____

HOME PHONE _____ BUSINESS PHONE _____

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.

DEPARTMENT OF RECREATION
AND PARKSCity of Los Angeles
CaliforniaMICHAEL A. SHULL
GENERAL MANAGER

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May 20, 2022

Mr. Alfredo Rubalcava
Magnolia Educational & Research Foundation
dba Magnolia Public Schools, Operator of
Magnolia Science Academy –1 Reseda
250 East 1st Street, Suite 1500
Los Angeles, CA 90012

RE: MAGNOLIA ICE RINK USE

Dear Mr. Rubalcava:

As you know, the City of Los Angeles has requested to purchase 6,625 square feet of land (25' x 625') from MPM Sherman Way LLC, owner and lessor of the property located at 18220 Sherman Way and Magnolia Educational & Research Foundation dba Magnolia Public Schools ("Magnolia") operator of Magnolia Science Academy 1 to assist in necessary land size to construct an NHL size ice rink and a roller rink at 18210 Sherman Way. The City understands that MPM Sherman Way LLC and Magnolia's sale is subject to Magnolia Properties, Management, Inc.'s and Magnolia's Board of Directors' approval and the existing lienholder's release of its lien on the piece of land.

The City also understands that Magnolia Science Academy intends to develop a hockey program in the future and would like access to the ice rink for classes, practice or other approved uses. Therefore, as a sign of good faith to finalize the City's acquisition of MPM Sherman Way's land, the City, acting through its Department of Recreation and Parks (RAP) agrees to work in good faith with Magnolia to develop a Memorandum of Understanding to allow for consideration of these defined uses at the ice rink and to work on any mutually beneficial uses that benefit public use by local and adjacent students from Magnolia Science Academy 1. Thank you for your consideration and partnership in delivering this important community asset.

Sincerely,

MICHAEL A. SHULL
General Manager

MAS:ml

cc: John Popoch, Council District 3
Elizabeth Ene, Council District 3
Anthony-Paul Diaz, RAP



