

APPROVED
JUL 17 2019

**BOARD OF RECREATION
AND PARK COMMISSIONERS**

BOARD REPORT

NO. 19-149

DATE July 17, 2019

C.D. 14

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: BROOKLYN HEIGHTS PARK (AKA 318 MATTHEWS STREET) (PRJ21254) PROJECT (LOS ANGELES COUNTY ASSESSORS' PARCEL NUMBER (APN) 5180-008-010) — FINAL AUTHORIZATION TO ACQUIRE PROPERTY FOR PARK PURPOSES; CATEGORICAL EXEMPTION FROM THE PROVISIONS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO ARTICLE 19, SECTION 15325 (f) OF CALIFORNIA CEQA GUIDELINES

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

[Signature]
General Manager

Approved X Disapproved _____ Withdrawn _____
With Amendments

RECOMMENDATIONS

1. Approve the proposed Purchase and Sale Agreement and Escrow Instructions substantially in the form attached as Attachment 2 to this Report (Purchase Agreement) and approve the acquisition by the Department of Recreation and Parks (RAP) of the real property known as the "Brooklyn Heights" parcel located at 318 North Matthews Street, Los Angeles California 90033-3010 in the Brooklyn Heights community of the City of Los Angeles, which is comprised of a 0.19-acre or 8,547 square-foot parcel and identified by Los Angeles County Assessor's Parcel Number (APN) 5180-008-010 (Property), in accordance with the terms and conditions of set forth in this Report and the Purchase and Sale Agreement (PSA);
2. Adopt the Resolution, substantially in the form attached as Attachment 1 to this Report, authorizing RAP to acquire the Property in accordance with the terms and conditions set forth in this Report and PSA;
3. Approve the use of RAP Capital "B" general funds for the acquisition and payment of pre-acquisition and due diligence related costs of the Property acquisition;
4. Authorize the Board of Recreation and Park Commissioners (Board) President and Secretary to execute PSA, substantially in the form attached as Attachment 2 to this Report, subject to the approval of the City Attorney as to form and legality;

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5. Authorize GSD and City Attorney's Office (CA) to make technical corrections to PSA to effectuate the intent of this Report, subject to the approval of the City Attorney as to form; and,
6. Determine that the proposed action, consisting of property acquisition, is categorically exempt from the provisions of the California Environmental Quality Act (CEQA), pursuant to Article 19 Section 15325(f), of California CEQA Guidelines; and,
7. Authorize RAP's Chief Accounting Employee or designee to prepare a check to the Los Angeles County Clerk in the amount of Seventy-Five Dollars (\$75.00) for the purpose of filing a Notice of Exemption (NOE); and,
8. Authorize RAP's Chief Accounting Employee or designee to establish the Brooklyn Heights/318 Mathews Street acquisition and or development Fund and Account for acquisition and related costs and or development of the Property; and,
9. Authorize RAP's Chief Accounting Employee or designee to transfer Nine Hundred Seventy-Six Thousand, Nine Hundred Dollars (\$976,900) from Fund 302, Department 89, Account 89270K General Capital sub-account CG "Capital Park Development B to Fund 205, Department 88, Account TBD;
10. Approve the allocation of Nine Hundred Seventy-Six Thousand Nine Hundred Dollars (\$976,900) from Fund 205, Department 88, Account TBD for the proposed Property acquisition and Brooklyn Heights Park (AKA 318 Mathews Street) acquisition and or development - New Park Development (PRJ21254) Project, as described in the Summary of this Report;
11. Authorize RAP's Chief Accounting Employee or designee to make technical corrections as necessary to establish the necessary accounts to acquire the proposed 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 expeditiously complete the acquisition of the property referred to as " Brooklyn Heights Park/ Also known as 318 Mathews Street"; ~~and,~~
12. Authorize the Board Secretary to execute the escrow instructions and to accept the grant deed for the subject Property, as approved by the City Attorney, which shall be set apart and dedicated as park property in perpetuity; ~~and~~
13. ~~Authorize staff and the City Attorney's Office to make changes to the PSA to carry out the~~
SUMMARY ~~intent of the Board.~~

On March 20, 2019, through Report No. 19-057, the Board granted authorization to initiate the process for the possible acquisition of the Property. Council District 14 and RAP staff have been interested in acquiring the Property for open space passive use and/or active use park development in order to expand the recreational activities in the Brooklyn Heights area of the City. One of RAP's goals is to establish parks with walking distance and within areas close to mass transportation corridors as a way to reduce the environmental footprint. The Property is near one

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of Metropolitan Transit Authority's (MTA) transportation corridor sites, the MTA Gold Line. Further, the Property, when developed into a park, would address park assessment needs in this fast growing mixed housing community.

RAP staff believes that the acquisition and development of a park in this area would also serve the future residents and population of MTA's proposed La Veranda Joint Development project as part of MTA's redevelopment efforts, which includes the following:

- 77 apartments, 76 of which will be affordable to individuals and families earning 30-50% of the Area Median Income
- 8,000 square feet of ground floor retail

In Report No. 19-057, the Board directed RAP staff to return to the Board for final approval of the acquisition of the Property with a proposed PSA and subject to the determination of funding for the acquisition of the Property, completion of all appropriate California Environmental Quality Act (CEQA) analysis and documentation, completion of all environmental assessments as needed, and finalization of all material terms of the purchase of the Property. The details of these conditions are set forth below.

The Property measures approximately 0.19 acres or 8,276.4 square feet. The Property is situated near a major transit corridor area of Los Angeles. The Property is a vacant duplex parcel, residentially-zoned (R3-1-CUGU). GSD, Asset Management Division, has provided a Class "A" appraisal or formal appraisal of estimate of value for the Property. There are funds available for the acquisition of the site. RAP staff intends to use available RAP Funds for the acquisition of the Property and related acquisition and due diligence costs. This community has a rich history of as one of the earliest communities in the City of Los Angeles, home to a very diverse population that has fed the success of the Boyle Heights community and City of Los Angeles as whole and even serves as the final resting place for Shemp Howard and Curly Howard of Three Stooges Fame.

Total Acquisition Project costs: \$976,900

Budget line items (purchase price, closing cost, due diligence etc.)

- - Due Diligence/Pre-Acquisition costs:
 - Phase I = \$1,900
 - Appraisal = \$4,500
 - Title Report = \$500
- - Acquisition costs:
 - Purchase Price = \$925,000
 - Escrow/Closing Costs = \$20,000
- - Site Preparation/Security Fencing = \$25,000.

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Property Value and Acquisition Details

To determine the fair market value for the above mentioned Property identified by APN 5180-008-010, GSD used a Formal Appraisal prepared by an independent appraiser. This appraisal was prepared on March 27, 2019. The estimated value of the appraisal was determined to be Eight Hundred Sixty-Five Thousand Dollars (\$865,000) as of March 12, 2019. GSD's consultant appraiser and reviewer have determined that the fair market value of the Property as of March 12, 2019 is Eight Hundred Sixty-Five Thousand Dollars (\$865,000). However, based on negotiations with the seller, the final purchase price that was agreed upon is Nine Hundred Twenty-Five Thousand Dollars (\$925,000). GSD believes this price is consistent with their professional opinion of market value for the Property.

It is estimated that an additional Twenty Thousand Dollars (\$20,000) is required for payment of escrow and closing fees. An additional Twenty-Five Thousand Dollars (\$25,000) for security fencing will also be required. RAP staff intends to demolish the existing building structures and secure the site to protect it from vandalism and trespassing until a proper landscaping and or park design plan is implemented. Also to be included in these costs will be pre- acquisition/due diligence costs consisting of appraisal, title report costs, and environmental costs. This brings the total estimated property acquisition cost to Nine Hundred Seventy-Six Thousand, Nine Hundred Dollars (\$976,900). These costs will be funded by RAP's Capital Park Development "B" General Funds and will be made available from Recreation and Parks Fund No 205 Department No 88 Account No TBD. At this time, a development plan for the Property is not available. Initial plans for the Property will entail simple landscape and irrigation of the Property that will beautify the sites as open space and enrich the aesthetic qualities and beauty of the surrounding community. There is no additional information on any future development plans or costs at this time. Nevertheless, RAP has taken steps to apply for grant funds to develop and possibly reimburse acquisition costs. The scoring grade for the application for grant funds for this project has been reported by staff to be very high, which indicates a high potential for grant funds for development being awarded.

SPECIAL NOTES OF INTEREST:

Designated Planning Zones

The Property in question is within City's Methane Buffer Zone that surrounds a methane zone.

RAP staff agrees that this should not be an obstacle in developing this site into a park. In fact, this acquisition will alleviate and address some of the City's environmental concerns by offering an outdoor park that will address health and environmental needs. Staff will conduct additional studies and follow the City's environmental protocols and address mitigation measures if necessary.

The Property is also within a Clean Up, Green Up Zone, which is a City of Los Angeles environmental pilot program designed to address environmental issues in areas known as toxic hot spots within the City of Los Angeles. The City recently adopted Ordinance No. 184246 establishing green zones designed to address and focus on the cleanup of those toxic hot spot

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areas. The City also adopted Ordinance 184245 establishing development standards requiring filtration system's in buildings to address cumulative health impacts resulting from incompatible land use patterns within the City of Los Angeles. The City has designated the following areas as Clean Up, Green Up Zones:

1. Pacoima/Sun Valley- map area 1
2. Boyle Heights- map area 2
3. Wilmington –map area 3

The City of Los Angeles "Clean Up Green Up" policy was implemented to address the cumulative impacts of the accumulation of pollution sources adjacent to residential areas that put neighbors at higher risk for asthma, lung disease, cardiovascular disease, cancer. This City Policy is designed to address environmental concerns within these "Hot Spots". RAP is exempt from these requirements and policies. Nevertheless RAP park goals also serve in addressing environmental concerns. Parks are seen as having a positive impact and playing a part in the greening of communities. Parks will help meet the Clean UP Green UP Policy goals and revitalize blighted neighborhoods.

Rent Escrow Account Program (REAP)

The Property is in a blighted neighborhood and is currently in the City's REAP Program, which is designed to resolve the most persistent health & safety, and habitability issues found in rental properties in the City. In addressing these issues, REAP helps reduce blight, protects tenants from living in substandard housing, increases the useful life of rental properties, and helps preserve the City's valuable affordable housing stock. Although the City has attempted to rehabilitate this Property, efforts have not been successful and said Property has been in the REAP program for several years.

RAP recognizes the potential opportunities that this acquisition opportunity presents today and how the acquisition of this property will contribute economically and environmentally in the rehabilitation of this culturally and historically rich community. RAP has obtained a commitment from HCIDLA to remove the property from the REAP program prior to the closing of this acquisition.

NEED ASSESSMENT

The proposed Property acquisition, will add and expand the area served for this Brooklyn-Heights neighborhood area of 14,092 residents. An additional estimated 5,102 residents that live within a ½ mile walking distance of the proposed Brooklyn Heights Park on the Property will be served. An un-estimated number of future single and family unit residents from MTA's 77 unit La Veranda development and other transportation corridor users will also be served by the addition of the park on the Property. MTA's Gold line Soto Stop is located approximately three (3) blocks to the south of the Property.

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TREE AND SHADE

The Property is located on a tree lined street and is fronted by a full grown tree and has two (2) trees adjacent on and off the Property. It is RAP staff's recommendation that these trees be considered and incorporated in any design plan for the Property that meets all park design standards. Environmentally, trees protect inhabitants from harmful pollutants by establishing healthy green zones that surrounding communities can enjoy.

ENVIRONMENTAL IMPACT

Environmental due diligence in the form of a Phase I Environmental Site Assessment (ESA) has been performed for the Property in accordance with the American Society for Testing and Materials (ASTM) Standard Practice for Environmental Site Assessment: Phase I Environmental Site Assessments (Standard Designation E 1527-13) approved in November 2013 and the United States Environmental Protection Agency (US EPA) 40 CFR Part 312 Standards and Practices for All Appropriate Inquiries (AAI) - Final Rule adopted November 1, 2006. No evidence of Recognized Environmental Conditions (RECs) was found on the Property, and no further site investigation would be required. The Phase I ESA Report dated April 2019 is on file in RAP's Real Estate Division.

The proposed action involves the acquisition of parcels of land to preserve open space or lands for park purposes. As such, RAP staff recommends that the Board determines that it is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article 19 Section 15325(f), of California CEQA Guidelines. A Notice of Exemption will be filed with the Los Angeles County Clerk upon Board's approval.

In addition to the Office of Council District 14, RAP's Assistant General Manager of the Planning, Construction and Maintenance Branch and Superintendent for the Metro Region have been consulted and concur with staff's recommendations.

FISCAL IMPACT

The proposed Property acquisition and subsequent development will require an increase in maintenance cost demands and will require a budget increase that will be requested through RAP's standard budget process.

As indicated in the summary of this Report, the Property is not expected to be developed until community outreach and input is completed and park design is completed. Therefore there is no fiscal impact to RAP for development of the site at this time. Maintenance for the area is also expected to be minimal as the site will remain closed. RAP staff does recommend the allocation of funds for security fencing to secure the site once this acquisition is completed. Operational maintenance cost will be determined at a later time. Upon completion of acquisition, a request for funding will be submitted in future RAP General Fund solicitations.

Any grant funds awarded for the acquisition or development of this Property will be used to reimburse funds used to acquire the Property if allowable under such grant award.

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STRATEGIC PLAN INITIATIVES AND GOALS

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

- Goal No. 3:** Maintain a Diverse and Dynamic Workforce
Outcome; No. 1: Newly Developed park projects and the redesign of signature City Parks; and,
Key Metric: Number of major park projects completed
- Result:** More park accessibility to traditionally park-poor communities such Brooklyn Heights

The Property is located within walking distance of the East Cesar E. Chavez Ave transportation corridor, and the MTA's Gold Line Station. The development of a park in this area will help reduce pollution. This site offers a great opportunity to design a park that is in keeping with the City's rich historic past and future, as it will continue to serve the diversity and inclusiveness of Brooklyn Heights. The development of a park on this Property will help meet most, if not all of the Strategic Plan priority goals.

Environmental Contribution Goal

There are countless studies and reports on the numerous benefits that parks bring to communities.

The benefits that parks offer as it relates to air and water quality, climate change, biodiversity and habitat protection, and human behavior are proven and pronounced. Most experts seem to agree that there are four major benefits that parks offer:

- 1- Healthy communities, by offering active and passive recreation
- 2- Contribution to better mental health by increasing social connection,
- 3- Environmental contributions by reducing the carbon footprint by removing pollutants the environment especially in areas that historically suffered from environmental contamination,
- 4- Economic benefits by revitalizing economic stagnant or blighted neighborhoods.

The RAP Real Estate Division strongly supports this acquisition.

This Report was prepared by John Barraza, Management Analyst II in Real Estate and Asset Management, Planning, Maintenance and Construction Branch.

ATTACHMENTS

- Attachment 1 - Resolution
- Attachment 2 – Purchase and Sale Agreement and Escrow Instructions

RESOLUTION NO. _____

WHEREAS, the Board of Recreation and Park Commissioners (Board) authorized RAP staff to commence preliminary activities for the possible acquisition of the property known as the "Brooklyn Heights" parcel, located at 318 N. Matthews Street, Los Angeles CA 90033-3010 and identified by Los Angeles County Assessor's Parcel Number (APN) 5180-008-010 (Property) (Report No. 19-057);

WHEREAS, the Board directed the staff of the Department of Recreation and Parks (RAP) to return to the Board with a proposed purchase/sale agreement, escrow instructions and any other related documents for the Board's final approval to purchase the Property, subject to the following conditions:

- A. Funding will be determined for the acquisition of the Property;
- B. Completion of all appropriate California Environmental Quality Act (CEQA) analysis and documentation;
- C. Completion of all environmental assessments, including Phase I and Phase II if needed;
- D. Finalization of all material terms of the purchase of the Property, including the negotiation by the Department of General Services of a purchase price that is consistent with its professional opinion of market value.

WHEREAS, conditions A-D above have been met and RAP staff recommends completion of the acquisition of the Property by approving the form of the Purchase and Sale Agreement and Escrow Instructions submitted to the Board as part of the Report authorizing this Resolution (Purchase Agreement); and,

WHEREAS, the Property identified by Los Angeles County Assessors' Parcel Number (APN) 5180-008-010 is a duplex property residentially-zoned (R3-1-CUGU) that measures approximately 0.19 acres or 8,546.5 square feet located in the Community Plan Area of Boyle Heights; and,

WHEREAS, the acquisition of the Property will enhance and protect the quality of life for the residents and future residents of the area and surrounding communities; and,

WHEREAS, GSD used a Formal Appraisal prepared on March 27, 2019, to assess value and GSD concurs with appraiser's valuation methodology used to arrive at the value for the subject Property; and,

WHEREAS, the estimated value of the appraisal was determined to be Eight Hundred Sixty-Five Thousand Dollars (\$865,000) as of March 12, 2019, and GSD and the Property owner have agreed to a purchase price of Nine Hundred Twenty-Five Thousand Dollar (\$925,000) that is consistent with GSD's professional opinion of market value for the Property; and,

WHEREAS, it is estimated that an additional \$25,000 for security fencing, and Twenty Thousand Dollars (\$20,000) for payment of escrow and closing fees is required, and that the total property acquisition cost is estimated to be Nine Hundred Seventy-Six Thousand, Nine Hundred Dollars (\$976,900) as follows:

Budget line items (purchase price, closing cost, due diligence etc.)

- Due Diligence/Pre-Acquisition costs:
 - Phase I = \$1,900
 - Appraisal = \$4,500
 - Title Report = \$500

- Acquisition costs:
 - Purchase Price = \$925,000
 - Escrow/Closing Costs = \$20,000

- Site Preparation/Security Fencing = \$25,000.

WHEREAS, escrow closing costs and all related pre-acquisition and due diligence costs will be funded from, Recreation and Parks Fund No 205 Department No 88 Account TBD "Brooklyn Heights Park (PRJ21254); and,

WHEREAS, this acquisition will enhance and protect the quality of life in the area and bring more recreational opportunities to the entire City through expanded availability of recreational activities and facilities; and,

WHEREAS, the proposed acquisition is the beginning of the Mayor's plan to put in place a plan to provide parks with walking distance of residents that will provide for better health, address equity and economic issues, as well as reduce pollution and reduce traffic congestion; and,

WHEREAS, the Phase I Environmental Site Assessment report indicates that no evidence of Recognized Environmental Conditions (RECs) was found on the Property, and RAP staff has determined that no further site investigation for the Property is required and that there is no known environmental hazard which should be an obstacle to RAP acquiring the Property for public use; and,

NOW, THEREFORE, BE IT RESOLVED, that the Board, in accordance with the provisions of Charter Section 594(a) and (b), hereby approves the acquisition by RAP of the Property known as the "Brooklyn Heights" parcel located at 318 North Matthews Street, Los Angeles CA 90033-3010 in the Brooklyn Heights community of the City of Los Angeles, which is comprised of a 0.19-acre or 8,276.4 square-foot parcel and identified by Los Angeles County Assessor's Parcel Number (APN) 5180-008-010, in accordance with the terms and conditions of set forth in the Board Report authorizing this Resolution and the Purchase Agreement; and,

BE IT FURTHER RESOLVED, that the Board requests and grants authority to GSD and City Attorney's Office (CA) to make technical corrections as necessary to the Purchase Agreement, subject to the approval of the City Attorney as to form, and;

BE IT FURTHER RESOLVED, that the Board President and Board Secretary or designee be authorized to execute the Purchase Agreement upon receipt of the necessary approvals from the City Attorney's Office; and,

BE IT FURTHER RESOLVED, that the Board authorize RAP's Chief Accounting Employee to transfer Nine Hundred Seventy Six Thousand and Nine Hundred Dollars (\$976,900) from Fund 302, Department 89, Account 89270K General Capital sub account CG Capital Park Development B to Fund 205, Department 88, Account TBD;

BE IT FURTHER RESOLVED, that the Board approve the allocation of Nine Hundred Seventy Six Thousand and Nine Hundred Dollars (\$976,900) from Fund 205, Department 88, Account TBD for the Brooklyn Heights/318 Mathews St acquisition and or development - New Park Development (PRJ21254) Project, as described in the Summary of the Report authorizing this Resolution;

BE IT FURTHER RESOLVED, that the Board approve the use of RAP Fund No 205 Department No 88 Account TBD "Brooklyn Height Park/318 Mathews St Property PROJECT NO: 21254, for the acquisition and related costs of the Property; and,

BE IT FURTHER RESOLVED, that any grant funds awarded for the acquisition and development of the Property be used to reimburse all acquisition and related costs for the Property acquisition; and,

BE IT FURTHER RESOLVED, that the GSD Asset Management Division and RAP's Chief Accounting Employee be authorized to make technical corrections as necessary, to establish the necessary accounts to acquire the Property, and to accept and transfer the necessary monies to fund the acquisition to the appropriate City Department accounts or escrow company account in order to expeditiously complete the acquisition of the Property; and,

BE IT FURTHER RESOLVED, that the Board Secretary is directed to execute the escrow instructions and accept the grant deed for the subject Property for the acquisition and expansion of the Property to be known as the "Brooklyn Heights Park," as approved by the City Attorney, which shall be set apart and dedicated as park property in perpetuity.

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

IRIS L. DAVIS, Commission Secretary

Resolution No. _____

**PURCHASE AND SALE AGREEMENT
AND ESCROW INSTRUCTIONS**

Between

NELA HOLDINGS, LLC

SELLER

AND

**CITY OF LOS ANGELES,
A MUNICIPAL CORPORATION, ACTING BY AND THROUGH ITS BOARD OF
RECREATION AND PARK COMMISSIONERS
BUYER**

**FOR PROPERTY LOCATED AT
318 NORTH MATHEWS STREET, LOS ANGELES, CALIFORNIA 90033**

DATED: _____, 2019

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Exhibit A.....Description of Property

Exhibit B.....Form of Grant Deed

PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

This Purchase and Sale Agreement (**Agreement**) is made as of _____, 2019 (**Effective Date**), between the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Recreation and Park Commissioners (**Buyer and City**), and NELA Holdings, LLC, a California limited liability company (**Seller**).

RECITALS

A. Seller is the owner of certain real property located in the City of Los Angeles, County of Los Angeles, State of California, commonly known as 318 North Mathews Street, Los Angeles, CA 90033, Assessor's Parcel Number 5180-008-010, and is legally described in **Exhibit A** attached hereto, consisting of approximately 8,547 square feet of land and two vacated residential buildings, one single-story, one two-story, totaling approximately 3,077 square feet, which are both currently boarded-up and fenced-off from access (collectively, **Property**, as more fully described in Section 1.3 below).

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

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 shall also be the "**Effective Date**" of this Agreement.

1.2. Purchase and Sale. For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Seller agrees to sell and Buyer agrees to purchase the Property described below in Section 1.3.

1.3. Components of the Property. The Property to be purchased and sold under this Agreement consists of the following:

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

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

1.3.3. Improvements. All buildings, structures, fences, parking areas, or improvements located on the Land or Improvements, including fixtures, systems, and equipment attached to the Land or Improvements and used in connection with the operation or occupancy of the Land and Improvements, such as heating and air-conditioning systems, refrigeration, ventilation, garbage disposal, or utility conduits (collectively, **Improvements**), which together with the Land and Appurtenances are the **Real Property**.

1.3.4. Subject to covenants, conditions, restrictions, easements, reservations, rights and rights-of-way of record, and subject to any rights-of-way which may be apparent by visual inspection of the Real Property.

ARTICLE 2

PURCHASE PRICE

2.1. Amount. The purchase price (**Purchase Price**) of the Property is Nine Hundred and Twenty Five Thousand Dollars (\$925,000), and is payable in cash to Seller in accordance with this Article 2.

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

2.2.1. Deposit. No later than twenty (20) days of Opening of Escrow (defined in Section 3.1 below), Buyer shall deposit into Escrow (for benefit of Seller) the sum of Fifty Thousand Dollars (\$50,000) as a deposit toward the Purchase Price (**Deposit**). The Deposit will be applied to the Purchase Price at Close of Escrow (defined in Section 3.3 below). However, if Buyer defaults under this Agreement thus preventing Close of Escrow, Escrow Holder (defined in Section 3.1 below) shall release the Deposit to Seller who shall retain it as liquidated damages for such default. If Buyer elects to terminate this Agreement before expiration of the Inspection Period (defined in Section 3.2 below), Escrow Holder shall refund Deposit to Buyer. Further, if Seller defaults under this Agreement, Escrow Holder shall refund Deposit to Buyer.

2.2.2. Balance. No later than three (3) days prior to Close of Escrow, Buyer shall deliver to Escrow Holder a sum equal to the Purchase Price, together with Buyer's share of pro-rations and costs of Escrow (see Section 3.7 below), less the amount of the Deposit.

ARTICLE 3

OPENING AND CLOSING OF ESCROW

3.1. Opening of Escrow. Within two (2) business days after the Effective Date, the parties shall deposit an executed copy of this Agreement (or a fully executed copy in counterparts) with Escrow Holder. Escrow Holder shall promptly execute this

Agreement upon receipt and thereupon, the escrow hereunder (Escrow) shall be established. This Agreement shall serve as the instruction to Escrow Holder to consummate the purchase and sale contemplated hereunder. Seller and Purchaser agree to execute such additional and supplementary escrow instructions as are reasonably necessary to enable Escrow Holder to comply with the terms of this Agreement in the form of an amendment hereto. The transactions contemplated herein shall be consummated through Escrow. The "Close of Escrow" shall occur on the Closing Date. For purposes of this Agreement, the Escrow Holder shall be Crown Escrow Corporation, Donna Marie Augus, located at 4242 Sunset Blvd # 2, Los Angeles, CA 90029 (Escrow Holder).

3.2. Term of Escrow. The term of this Escrow shall be sixty (60) days from the Opening of Escrow (**Term of Escrow**), unless extended by mutual written agreement of the parties as described in this Section below. Buyer shall have fourteen (14) days following the Opening of Escrow and receipt of Inspection Documents to review the Inspection Documents listed in Section 4.2 below, perform feasibility studies and otherwise approved the physical and environmental condition of the Property in Buyer's sole discretion (**Inspection Period**). The closing date of this Escrow shall be no later than the expiration date of the Term of Escrow (**Closing Date**). Buyer and Seller shall have the right to extend the Closing Date by one (1) period of Fifteen (15) Days by giving Five (5) Days written notice to the other Party.

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

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

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

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

3.4.3. Keys. To the extent not previously delivered to Buyer, any and all keys and/or means to operate all locks, mailboxes, security systems, alarms and garage door openers in Seller's possession.

3.4.4. Seller's Proof of Power and Authority. Such proof of Seller's authority and authorization to enter into and perform under this Agreement, and such proof of

power and authority 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 the Escrow Holder; and

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

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

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

3.5.2. Buyer's Proof of Authority. Such proof of Buyer's authority to enter into and perform under this Agreement, including Recreation and Park Commissioners Board approval of this Agreement and authority to purchase the Property.

3.5.3. Acceptance of Deed. A duly executed and acknowledged Acceptance of Deed (City of Los Angeles form) accepting title to the Property.

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

3.6. Escrow Holder's Closing Tasks. When Escrow Holder receives all documents and funds identified in Sections 3.4 and 3.5 above, it shall close Escrow by:

3.6.1. Recording the Deed and Acceptance of Deed;

3.6.2. Issuing the Title Policy to Buyer;

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

3.6.4. Paying the Purchase Price to Seller, plus or minus prorations under Section 3.7 hereof.

3.6.5. Thereafter, Escrow Holder shall deliver signed closing statements showing all receipts and disbursements to Buyer and Seller and shall file with the Internal Revenue Service (with copies to Buyer and Seller) the reporting statement required under Internal Revenue Code §6045(e).

3.7. Prorations. All receipts and disbursements of 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 basis:

3.7.1. Property Taxes. Escrow Holder shall prorate on a 360 day basis the ad valorem taxes on the Real Property for the current fiscal year and all installments of bonds, special taxes, and assessments payable over time as of the Close of Escrow based upon the most current real estate tax information available. Buyer acknowledges that Seller is obligated to pay to the Los Angeles County Tax Collector the ad valorem taxes on the Real Property for the entire tax fiscal year during which the Close of Escrow occurs even though (a) Seller will own the Property for less than the entire fiscal year, and (b) such payment may be due following the Close of Escrow. Therefore, Buyer agrees that at the Close of Escrow Seller shall be credited and Buyer shall be debited an amount equal to that portion of the ad valorem taxes on the Property attributable to the period from the Close of Escrow to the end of the tax fiscal year in which the Close of Escrow occurs. Any bill for supplemental ad valorem taxes (**Supplemental Taxes**) on the Real Property which is issued after the Close of Escrow shall be prorated by Buyer and Seller outside of Escrow after the Close of Escrow. Each party shall remit its pro rata share of any such Supplemental Taxes, as reasonably determined by Seller, to the requesting party outside of Escrow within ten (10) days after such party's receipt of a copy of the bill for such Supplemental Taxes from the requesting party. Notwithstanding the proration procedure described above, Buyer shall assume and shall pay all taxes and assessments (including all roll-back taxes and assessments) levied or assessed against any portion of the Real Property as the result of a change in the use or ownership of the Real Property occurring from and after the Closing Date, and shall defend, indemnify, and hold Seller harmless from any cost, expense, liability, or obligation (including, without limitation, reasonable attorneys' fees and costs) with respect to any such taxes or assessments. This provision shall survive the Close of Escrow.

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

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

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

3.8.2. Escrow costs shall be shared equally by Seller and Buyer. Seller shall pay the cost to record the deed;

3.8.3. Seller shall pay the cost of a standard ALTA Owner's Title Policy issued by Title Company (as defined in Section 4.3 below). Buyer shall pay for any endorsements or extended coverage.

3.8.4 All installments of bonds, special taxes or assessments which are a lien on the Property and due and payable in full prior to the time of Closing shall be prorated in the manner set forth in Paragraph 3.7.1 above; provided, however, that in determining any amount payable by Seller, such assessments shall be amortized over the longest period of time permitted by the taxing authority to make such payment, even if the assessment is assessed as a lump sum.

3.8.5. Each party shall be responsible for payment of the fees and expenses of its counsel relating to this Agreement and the transactions contemplated hereby.

3.8.6 At or before Close of Escrow, from Seller's funds, Escrow shall pay the full balance owed by the Property to the Los Angeles Rent Escrow Account Program as of the date of Close of Escrow.

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

Buyer shall not be obligated to proceed to the Close of Escrow and the Closing shall not occur unless and until, in addition to all other conditions contained in this Agreement, the following conditions have been satisfied or waived in writing by Buyer:

4.1. Vacant Property. There shall be no tenants, subtenants or any other individuals or entities occupying or claiming the right to occupy the Property on or thirty (30) days prior to the Closing Date. Buyer shall inspect the Property two (2) days prior to the Close of Escrow to confirm the Property is vacant.

4.2. Approval of Inspection Documents. Seller's delivery into Escrow (at Opening of Escrow) of those of the below-listed documents which are in Seller's possession (the "Inspection Documents"), and Buyer's approval of those Documents by no later than expiration of the Inspection Period of Escrow (defined in Section 3.1 hereof).

4.2.1. Agreements. Copies of all written easements, covenants, restrictions, agreements, service contracts, and other documents that affect the Property, including without limitation any agreements relating to insurance, service, operation, repair, supply, advertising, promotion, sale, leasing, or management of the Property or the use of the common facilities.

4.2.2. Licenses and Permits. Copies of any licenses, permits, or certificates required by governmental authorities in connection with construction or occupancy of the Improvements, including without limitation building permits, certificates of completion, certificates of occupancy, and environmental permits and licenses, and any correspondence related to the Improvements.

4.2.3. Tax Bills. Property tax bills for the current tax year.

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

4.2.5. Property Condition Materials. Any environmental impact reports,

“Phase I” or “Phase II” reports, or any environmental site assessments concerning hazardous substances on the Property, asbestos reports on the Improvements, complaints or notices-of-violation related to hazardous substances on the Property, geological surveys, soil tests, engineering reports, inspection results, complaints or notices-of-violation related to the safety of the Property. Seller’s duty to provide such Documents does not include the duty to conduct and pay for new Environmental Site Assessments, which are Buyer’s duties hereunder (see Section 4.3 below).

4.2.6. **Litigation Materials.** All materials related to pending or threatened litigation (during Seller’s ownership of the Property) involving the Property or Seller on account of its ownership of the Property, including correspondence, complaints, court orders, settlements, and judgments.

4.2.7. **Plans.** Copies of any existing construction drawings, as-built plans, and specifications for the Property.

4.2.8. **Other Materials.** All other data, correspondence, documents, agreements, waivers, notices, applications, and other records regarding the Property relating to transactions with taxing authorities, governmental agencies, utilities, vendors, tenants, neighbors, and others with whom Buyer may be dealing after Close of Escrow.

4.2.9. **Excluded Records.** The above-listed Inspection Documents shall not include any books, records, documents, or information on the corporate, financial, and accounting records of the operations of Seller as an entity (as opposed to records concerning the Property), regarding offers or inquiries made by third parties concerning the purchase of some or all of the Property or appraisals of the value of the Property that are attorney-client communications of Seller, that is Seller’s attorney’s work product, or that is not in the possession of Seller or persons under Seller’s control.

Buyer’s obligation to purchase the Property is expressly conditioned on its written approval, in its sole discretion, of the matters disclosed in the Inspection Documents. Buyer shall have the Inspection Period to review these Documents and to decide whether to approve the matters disclosed therein. Thus, no later than expiration of the Inspection Period, Buyer shall deliver written notice to Seller either: (a) accepting the matters disclosed in the Inspection Documents, or (b) terminating this Agreement. If Buyer fails to give such notice on or before said expiration date, Buyer shall be deemed to have approved the Inspection Documents.

4.3. **Approval of Site Assessments.** Buyer’s approval of the condition of the Property revealed in any new Phase I Environmental Site Assessment conducted and paid for by Buyer as part of this purchase and sale of the Property. Buyer’s Phase I Environmental Site Assessment does not recommend a Phase II.

4.4. **Approval of Title.** Within Seven (7) Days after the Opening of Escrow, Seller shall cause the Title Company to deliver to Buyer, an updated Preliminary Title Report (**Preliminary Report**) together with the title exceptions shown in the Preliminary Report. Buyer’s approval of the condition of title of the Property (and Title Company’s commitment to issue Title Policy) in accordance with following procedure:

4.4.1. Permitted Exceptions. The following exceptions shown on the Preliminary Report (**Permitted Exceptions**) are approved by Buyer: (a) exceptions for a lien for local real estate taxes and assessments not yet due or payable, including without limitation special taxes under Government Code §§53311-53368.3 or installment assessments under Street & H C §§8500-8887, (b) the standard preprinted exceptions and exclusions of the Title Company (defined below), (c) an exception relating to the Property's inclusion in the Los Angeles Rent Escrow Account Program, (d) an exception relating to the earlier recordation by the Seller of an Ellis Act notice on title, and (e) any other exception shown on the Preliminary Report, other than exceptions for monetary liens, which Buyer does not object to by written notice to Seller within the Inspection Period described in Section 3.2 hereof (**Buyer's Title Notice**). All exceptions on the Preliminary Report other than the Permitted Exceptions will be Title Objections. If Buyer fails to deliver its Buyer's Title Notice within the Inspection Period, Buyer shall be deemed to have objected to each title exception shown in the Preliminary Report that is not otherwise a Permitted Exception. Additionally, the parties hereto acknowledge and agree that the Title Company for this Agreement shall be First American Title Insurance Company located at 777 South Figueroa Street, Suite 400, Los Angeles CA 90017 (**Title Company**).

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

4.4.3. Non-Cure of Title Objections. If Seller elects not to cure or remove a Title Objection by delivering a Seller's Title Notice (or is deemed to have so elected), then Buyer shall have ten (10) days after delivery of said Notice to deliver a written notice to Seller (**Buyer's Election Notice**) of Buyer's election either to (a) proceed to purchase the Property, waive such Title Objection, and accept the exception shown in the Preliminary Report as a Permitted Exception, or (b) terminate this Agreement. If Buyer fails to deliver Buyer's Election Notice within the time specified in this Section 4.3.3, Buyer shall be deemed to have elected to terminate this Agreement.

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

4.4.5. Additional Encumbrances. If any encumbrance or other exception to title arises or is discovered after delivery of the Title Report (**Additional Encumbrances**), the party discovering such Encumbrances shall promptly give written notice to the other. No later than five (5) days after delivery of the notice of such Additional Encumbrance, Buyer shall deliver a new Buyer's Title Notice to Seller specifying whether the subject Additional Encumbrance is a Title Objection or a Permitted Exception. If Buyer objects to the Additional Encumbrance, the parties shall proceed in the same manner set forth above for Title Objections arising from the Title Report. If Buyer fails to deliver Buyer's Election Notice within the time specified in this Section 4.4.5, Buyer shall be deemed to

have elected to terminate this Agreement. The parties hereto acknowledge and agree that the Closing Date shall be extended to the extent necessary to provide the necessary time within which to comply with the requirements of this Section 4.4.5 for Title Objections.

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

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

4.6. Right of Entry onto Property. On and after the Effective Date of this Agreement, Buyer shall have the right to enter the Property to investigate it, including the right to conduct inspections, tests, and studies of the physical and environmental condition of the Property. Such tests and studies may include a Phase I Site Assessment of the Land. Such inspections may include asbestos inspections of the Improvements. Upon 24 hours prior verbal, email or written notice from Buyer to Seller, Buyer and its consultants, agents, engineers, inspectors, contractors, and employees (**Buyer's Representatives**) shall be given reasonable access to the Property during regular business hours for the purpose of performing such due diligence work. Buyer shall undertake the due diligence at its sole cost and expense. Buyer shall indemnify, defend with counsel reasonably acceptable to Seller, and hold Seller harmless from all claims (including claims of lien for work or labor performed or materials or supplies furnished), demands, liabilities, losses, damages, costs, fees, and expenses, including Seller's reasonable attorney fees, costs, and expenses, arising from the acts or activities of Buyer or Buyer's Representatives in, on, or about the Property during or arising in connection with Buyer's due diligence work.

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

ARTICLE 5

SELLER'S CONDITIONS TO CLOSE OF ESCROW

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

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

5.2 Buyer's Proof of Authority. Buyer will have obtained the approval of its

Recreation and Park Commissioners to this Agreement and the authority to purchase the Property.

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

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

ARTICLE 6

SELLER'S AS IS SALE; RELEASE AND INDEMNITY

6.1 As Is Sale. Buyer is aware that the Property is currently in uninhabitable condition. The parties acknowledge and agree that Buyer and Buyer Representatives are being afforded the opportunity to enter and inspect the Property, review the environmental, safety and other physical conditions of the Property, and determine the status of compliance with governmental laws and regulations to which the Property is subject. Buyer will accept (or reject) the Property for purchase on the basis of such inspection, review and determination. Also, Buyer acknowledges and agrees that if it accepts the Property for purchase, the Property will be sold and conveyed to Buyer in an "as is" condition with all faults, including environmental, safety, and other physical faults. Seller makes no representation or warranty (express or implied) with respect to the Property, including without limitation: (a) its use, condition, safety, risks, title, occupation or management, (b) its compliance with applicable governmental laws and regulations relating to zoning, planning, building safety, leasing, fire, safety, health or environmental matters, and (c) its compliance with covenants, conditions and restrictions, whether or not of record (collectively, **Condition of the Property**).

6.2 Prior to close of escrow, in order to comply with government retrofit requirements, Seller shall: (a) remove all toilets and showerheads in the Property, and (b) install earthquake shut-off valves. Seller or Seller's authorized representative(s) will complete and executed the relevant governmental retrofit forms.

6.3 Parties' Reciprocal Releases.

6.3.1 Buyer's Release. Effective on the Close of Escrow, Buyer (for itself, its successors and assigns) hereby releases, waives and discharges Seller, its employees, agents, owners, affiliates, or any person acting on its behalf (collectively, **Seller Parties**) from all personal injury and property damage liability (including, without limitation, lawsuits, claims, causes of action, administrative proceedings, fines, damages, losses,

and costs such as reasonable attorneys' fees and court costs) arising out of or related to the Condition of the Property after Close of Escrow. Further, Buyer hereby: (a) agrees that the matters released herein are not limited to matters which are known, disclosed or foreseeable, and (b) waives any and all rights it now has, or in the future may have, conferred on it by California Civil Code Section 1542 which provides:

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

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

Buyer's Initials

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

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

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

Seller's Initials

6.4 Parties' Reciprocal Indemnities.

6.4.1 Buyer's Indemnity. Effective on the Close of Escrow, Buyer shall indemnify, protect, defend (with counsel reasonably acceptable to Seller) and hold harmless the

Seller Parties against any and all personal injury and property damage liability (including without limitation, liability of lawsuits, claims, causes of action, administrative proceedings, fines, damages, losses, and costs such as reasonable attorneys' fees and court costs) arising out of or related to Buyer's ownership of the Property after the Close of Escrow.

6.4.2 Seller's Indemnity. Effective on the Close of Escrow, Seller shall indemnify, protect, defend (with counsel reasonably acceptable to Buyer) and hold harmless the Buyer Parties against any and all personal injury and property damage liability (including without limitation, liability of lawsuits, claims, causes of action, administrative proceedings, fines, damages, losses, and costs such as reasonable attorneys' fees and court costs) arising out of or related to Seller's ownership of the Property before 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. Except for proposed new leases, Buyer may not unreasonably withhold its consent under this Section 7.1.

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

7.3. Maintenance and Operation. Seller, at its sole cost and expense, must operate the Property in substantially the same manner as it has operated the Property prior to the Effective Date and must maintain and keep the Property such that on the Closing Date the Property is in at least as good condition and repair as on the 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. 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. 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 secured by the Property or other financing encumbering the Property.

7.7. Licenses and Permits. Seller shall use due diligence and its best efforts to keep in full force and effect, and shall renew, when necessary, all licenses and permits for the Property.

7.8. Service Contracts. Seller covenants and agrees that, before the Closing Date, it shall terminate all service contracts related to the Property.

7.9. Leases. Seller covenants and agrees that, before the Closing Date, it shall terminate all leases, rental agreements, licenses, entry permits, and possessory interests related to the Property. Seller will not lease the Property or any part thereof or any possessory interest in the Property subsequent to the Effective Date.

7.10. Access to Property. Buyer and Buyer's Representatives shall have the right at all reasonable times until Closing to enter the Property as provided in detail in Section 4.6 hereof.

7.11. Notification. Seller shall promptly notify Buyer of any material change in any condition with respect to the Property or of any material event or circumstance that makes any representation or warranty of Seller under this Agreement untrue or misleading.

ARTICLE 8

PARTIES' REPRESENTATIONS AND WARRANTIES

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

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

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

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

8.1.5. Governmental Actions. Seller has no knowledge of, nor has Seller received written notice of, any plan, study, or effort by any agency or party that in any way would materially affect the use of the Property or any portion of it for its current use or of any intended public improvements that would result in any charge being levied against, or any lien assessed on, the Property. Seller has no knowledge of any existing, proposed, or contemplated plan to widen, modify, or realign any street or highway contiguous to the Property. Buyer is aware property has been accepted into the Los Angeles Rent Escrow Account Program.

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

8.1.7. [Intentionally deleted.]

8.1.8. Development Rights. 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 relating to the Property, except as otherwise expressly set forth in the Preliminary Report.

8.1.9. Due Authorizations. This Agreement and the performance of Seller's obligations under it and all documents executed by Seller that are to be delivered to Buyer by the Closing Date shall be, duly authorized, executed, and delivered by Seller and are, or at the Closing Date shall be, legal, valid, and binding obligations of Seller, and do not, and on the Closing Date shall not, violate any provision of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject. No consent of any 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, and in good standing under the laws of the State of California

8.1.10. Title to the Property. Seller has good and marketable title to the Property. Seller has no actual knowledge of any unrecorded or undisclosed legal or equitable interest in the Property owned or claimed by anyone other than Seller. Seller has no knowledge that anyone will, at the Closing Date, have any right to possession of the Property, except as disclosed by this Agreement, the Preliminary Report, or otherwise in writing to Buyer. There are no unsatisfied mechanics' or materialmen's lien rights on the Property. No assessment lien or bond encumbers the Property.

8.1.11. Natural Hazard Disclosure. Seller shall pay for and prepare a natural hazard disclosure statement in the form required by California Civil Code Section 1103 (**Natural Hazard Disclosure**). Buyer acknowledges that this transaction is not subject to that Civil Code Section, but that nevertheless the Natural Hazard Disclosure serves or shall serve to satisfy all other statutory disclosure requirements of the California Government Code and Public Resources Code. Seller does not warrant or represent

either the accuracy or completeness of the information in the Natural Hazard Disclosure, and Purchaser shall use same merely as part of its Inspection Documents and due diligence of the Property.

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

8.2. Buyer’s Representations and Warranties. Buyer hereby represents and warrants that each of the following is true as of the Effective Date and the Closing Date.

8.2.1 Due Authorizations. This Agreement and the performance of Buyer’s obligations under it and all the documents executed by Buyer that are to be delivered to Seller by the Closing Date shall be duly authorized, executed, and delivered by Buyer and are, or at the Closing Date shall be, legal, valid, and binding obligations of Buyer, and do not, and on the Closing Date shall 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 Representations and Warranties. Each representation and warranty in this Article 8: (a) is material and being relied on by the 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 Brokers. Seller represents and warrants that a real estate brokerage commission is payable to Dario Svidler of Compass Commercial under a separate agreement between Seller and Compass Commercial in connection with the transaction contemplated hereby, and agrees to and does hereby indemnify and hold Buyer harmless against the 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, costs and expenses (including reasonable attorneys’ fees and litigation costs) arising as a result of such claims and shall survive the Closing. This Section shall expressly survive any Closing or any termination of this Agreement.

Seller’s Initials: _____

Buyer’s Initials: _____

ARTICLE 9

RISK OF LOSS

9.1. Condemnation. If before the Closing Date any action or proceeding is commenced for the condemnation or exercise of the rights of eminent domain of the Property or any portion of it, or if Seller is notified by the duly authorized officer of a duly

empowered condemning authority of the intent to commence such action or proceeding (Condemnation) and if such Condemnation would materially and adversely affect the use or operation of the Property, have the effect of decreasing the square footage of the Improvements, or reduce or eliminate access to the Property, then Buyer may either: (a) terminate this Agreement, or (b) proceed with the Closing without modifying the terms of this Agreement and without reducing the Purchase Price. 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.

9.2 Damage and Destruction. If before the Closing Date any damage or destruction of the Property, or any portion of it shall have occurred that results in a loss of value of one hundred thousand dollars (\$100,000) or more, then Buyer shall have the right to terminate this Agreement under the procedure set out in Paragraph 4.7 hereof.

ARTICLE 10

REMEDIES FOR DEFAULT

10.1. Buyer's Default. Buyer shall be deemed to be in default under this Agreement if Buyer fails, for any reason other than Seller's default under this Agreement or the failure of a Condition Precedent to Buyer's obligation to perform under this Agreement, to meet, comply with, or perform any covenant, agreement, or obligation required on its part within the time limits and in the manner required in this Agreement, or a material breach shall have occurred of any representation or warranty (made by Buyer) by reason of Buyer's actual fraud or intentional misrepresentation; provided, however, that no such default shall be deemed to have occurred unless and until Seller has given Buyer written notice of the default, describing the nature of the default, and Buyer has failed to cure such default within ten (10) days after receipt of such notice. The Closing Date shall be extended to the extent necessary to provide Buyer with the necessary ten (10) days to cure such default.

10.2. Remedies for Buyer's 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 rights provided by California law, including the right to recover its general and specific damages. However, no such default shall be deemed to have occurred unless and until Seller has given Buyer written notice of the default, describing its nature, and Buyer fails to cure such default within ten (10) days after receipt of such notice. The Closing Date shall be extended if necessary to provide Buyer with said 10 days to cure such default. In no event shall Buyer or any of its representatives be liable under this Agreement to Seller for consequential, indirect, special or punitive losses or damages.

10.3. Seller's Default. Seller shall be in default under this Agreement if Seller fails, for any reason other than Buyer's default under this Agreement or the failure of a Condition

Precedent to Seller's obligation to perform under this Agreement, to meet, comply with, or perform any covenant, agreement, or obligation required on its part within the time limits and in the manner required in this Agreement, or a material breach shall have occurred of any Seller representation or warranty because of Seller's actual fraud or intentional misrepresentation. However, no such default shall be deemed to have occurred unless and until Buyer has given Seller written notice of the default, describing its nature, and Seller has failed to cure such default within ten (10) days after receipt of such notice. The Closing Date shall be extended if necessary to provide Buyer with said 10 days to cure the default.

10.4. Remedies for Seller's Default. If Seller defaults in its obligations under this Agreement to sell the Property to Buyer on the Closing Date through no fault of Buyer, then Buyer at its option may have the right to specific performance of this Agreement or the right to recover the Deposit and all of its general and specific damages. If, after the Closing Date, Buyer determines that Seller has breached any representation or warranty set forth in Article 5 then Buyer shall have the right to bring an action for general and specific damages to Buyer. If this Agreement is terminated before the Closing Date for Seller's default, then, in addition to any remedy Buyer has under this Agreement, Seller shall reimburse Buyer for the costs incurred by Buyer in conducting its Due Diligence including payments made by Buyer to independent third parties and Buyer's own internal costs for photocopying, supplies, and Employee Costs. Employee Costs shall include all staff salaries and indirect staff costs for fringe benefits and compensatory time off related to this transaction. Indirect staff costs will be calculated based on the Cost Allocation Plan (CAP) published annually by the Los Angeles City Controller.

10.5. Resolution of Disputes. Controversies or claims between Seller and Buyer that arise from: (a) this Agreement (including any modifications to this agreement), (b) any document, agreement, or procedure related to or delivered in connection with this Agreement or the Property, (c) any violation of this Agreement, or (d) any claims for damages resulting from any business conducted between Seller and Buyer, including claims for injury to persons, property, or business interests (torts) (collectively **Arbitrable Disputes**) shall be resolved under this Section 10.5, which shall survive termination of this Agreement. Wherever this Agreement refers to arbitration as the means of resolving disputes between the parties, the parties agree to follow the procedure described immediately below before commencing arbitration procedures. The filing of a judicial action during the term of this Agreement to enforce the other party's performance under this Agreement(e.g., for an order of attachment, injunction, or other remedy, shall not constitute a waiver to the filing party's right or breach of the filing party's obligation to arbitrate) provided, however, that in no circumstances following the termination of this Agreement shall Buyer be entitled to record a notice of pending action (lis pendens) or take other action or seek other remedies that would have the effect of clouding Seller's title or restricting Seller's ability to convey or encumber the Property, free of any claim by Buyer to the Property.

10.5.1. Arbitration of Disputes.

(a) General. Any controversies or claims between Seller and Buyer that arise from Arbitrable Disputes shall be settled by arbitration in the City of Los Angeles, California, in accordance with the Commercial Arbitration Rules (Rules of the American

Arbitration Association (AAA)) if not inconsistent with other provisions of this Agreement, and judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction. The parties submit to the jurisdiction of the Superior Court of the State of California, County of Los Angeles, for purposes of confirming in any such award and entering judgment. The parties further agree that, despite anything to the contrary that may now or hereafter be contained in the Rules of the AAA, this Section 10.5.1 shall control.

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

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

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

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

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

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

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

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

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

Seller's Initials: _____

Buyer's Initials: _____

ARTICLE 11

GENERAL PROVISIONS

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

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

Address: 221 N. Figueroa St, St 1510

Los Angeles, CA 90012

Tel.: (213) 202-2640

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: NELA Holdings, LLC

Attn: Moses Kagan

Address: 3121 W. Temple St., Suite B, LA, CA 90026

Phone: (310) 994 0001

WITH COPY TO:

ESCROW HOLDER: Crown Escrow Corporation

Address: 4242 Sunset Blvd # 2, Los Angeles, CA 90029

Att'n: Donna Maria Augus

Telephone No: (213) 413-3370

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 indicated, (a) all article and section references are to the articles and sections of this Agreement, and (b) except where otherwise stated, all references to days are to calendar days. Whenever under the terms of this Agreement the time for performance of a covenant or condition falls on a Saturday, Sunday, or California state holiday, such 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 any 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, with no change to Buyer's obligations or deadlines under the Agreement, provided that Buyer gives written notice of such assignment to Seller a minimum of three days prior to 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 on any person other than the parties to it and their respective permitted successors and assigns, nor is anything in this Agreement intended to relieve or discharge any obligation of any third person to any party to this Agreement or give any third person any right of subrogation or action over against any party to this Agreement.

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 of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The parties hereto agree that a photocopy or facsimile shall also be deemed an original of this Agreement. Additionally, the signatures of any party hereto

which is executed by that party and thereafter transmitted to any 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 hereto sending this Agreement by facsimile or email, covenants and agrees that upon request of any other party, to provide the requesting party a manually signed original version of this Agreement.

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

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

By: _____
President

By: _____
Secretary

Date: _____, 2019

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

By: _____
Deputy City Attorney

Date: _____, 2019

SELLER: NELA HOLDINGS, LLC, a California limited liability company

By: _____

Manager, Adaptive Realty Manager, LLC, which is
Manager, NELA Holdings, LLC

Date: _____, 2019

ATTEST:
HOLLY L. WOLCOTT, City Clerk

By _____
Deputy

CONSENT OF ESCROW HOLDER

Crown Escrow Corporation (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: _____

Crown Escrow Corporation

By: _____

Name: _____

Its: _____

EXHIBIT "A"

LEGAL DESCRIPTION

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

LOT 8 OF DENNIS & COOKS SUBDIVISION OF LOT 3 OF THE MATHEWS AND FICKETT TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 36, PAGE 85 OF MISCELLANEOUS RECORDS](#), IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: **5180-008-010**

**EXHIBIT B
Form of Grant Deed**

RECORDING REQUESTED BY:

Crown Escrow Corporation Title Company

**WHEN RECORDED MAIL TO
AND MAIL TAX STATEMENTS TO:**

CITY OF LOS ANGELES
DEPT. OF RECREATION & PARKS
221 N. FIGUEROA ST. SUITE 400
LOS ANGELES CA 90012
ATTN: CID MACARAEG

Title Order No.: _____ Space Above This Line For Recorder's Use Escrow No.: _____

Grant Deed

This document is exempt from Documentary transfer tax pursuant to Section 11922 of the Revenue and Taxation Code and is being recorded pursuant to Section 6103 of the California Government Code and California Government Code Section 27383.

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

NELA Holdings, LLC

hereby GRANT(s) to

City of Los Angeles, a municipal corporation, acting by and through its Board of Recreation and Park Commissioners

the following described real property in the County of Los Angeles, State of California:

SEE EXHIBIT "A" FOR LEGAL DESCRIPTION

To have and to hold the property herein granted to the City of Los Angeles, the heirs and successors and assigns of the City of Los Angeles, forever. Said land shall be set apart and dedicated as park property or open space in perpetuity.

NELA Holdings, LLC

By: _____
Name: _____
Its: _____

A notary public or other officer completing this certificate verifies only the identity of the individual, who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of That document.

STATE OF CALIFORNIA }
COUNTY OF _____ }

On _____, before me, _____, a Notary Public, personally
appeared _____

_____, who proved to me on the basis
of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and
acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by
his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted,
executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is
true and correct.

WITNESS my hand and official seal.

Signature: _____ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual,
who signed the document to which this certificate is attached, and not the truthfulness, accuracy,
or validity of That document.

STATE OF CALIFORNIA }
COUNTY OF _____ }

On _____, before me, _____, a Notary Public, personally
appeared _____

_____, who proved to me on the basis
of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and
acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by
his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted,
executed the instrument.

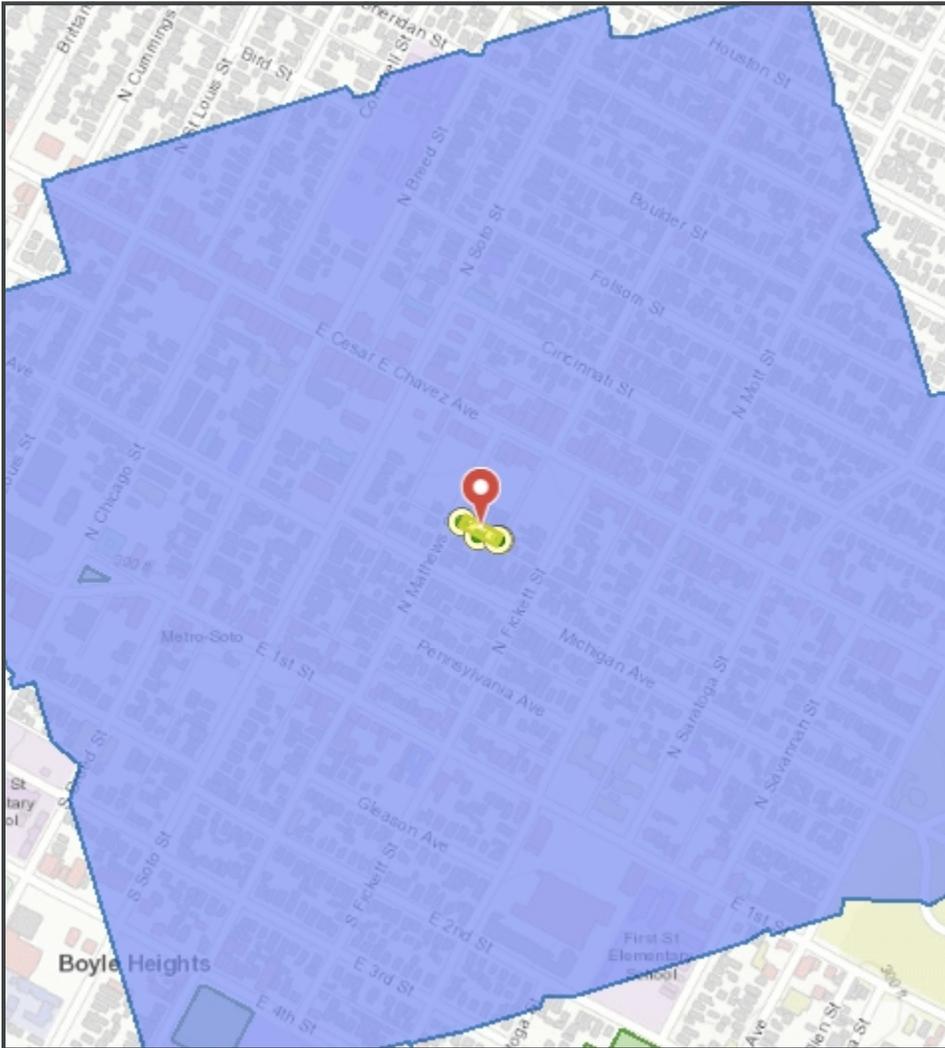
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is
true and correct.

WITNESS my hand and official seal.

Signature: _____ (Seal)

EXHIBIT “A”

LOT 8 OF DENNIS & COOKS SUBDIVISION OF LOT 3 OF THE MATHEWS AND PICKETT TRACT,
IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP
RECORDED IN BOOK 36 PAGE 85 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE
COUNTY RECORDER OF SAID COUNTY.



Scenario Information

Scenario Name:

318 N Mathews

Description:

Scenario Type:

New Park

Park Class:

Neighborhood

Baseline Dataset*:

All Parks (RAP and Non-RAP)

*The baseline dataset is the existing parks dataset whose service areas are used to calculate the currently non-served metrics given below in blue. These residents and households, which would be served by the proposed park, are not currently served by any existing park in the baseline dataset.

Population and Age Breakdown

Household and Income Breakdown

	Total Residents Served:	Currently Non-Served Residents Served:
Residents Served:	14,092	5,102

	Total Households Served:	Currently Non-Served Households Served:
Households Served:	3,816	1,434

Residents Served by Age

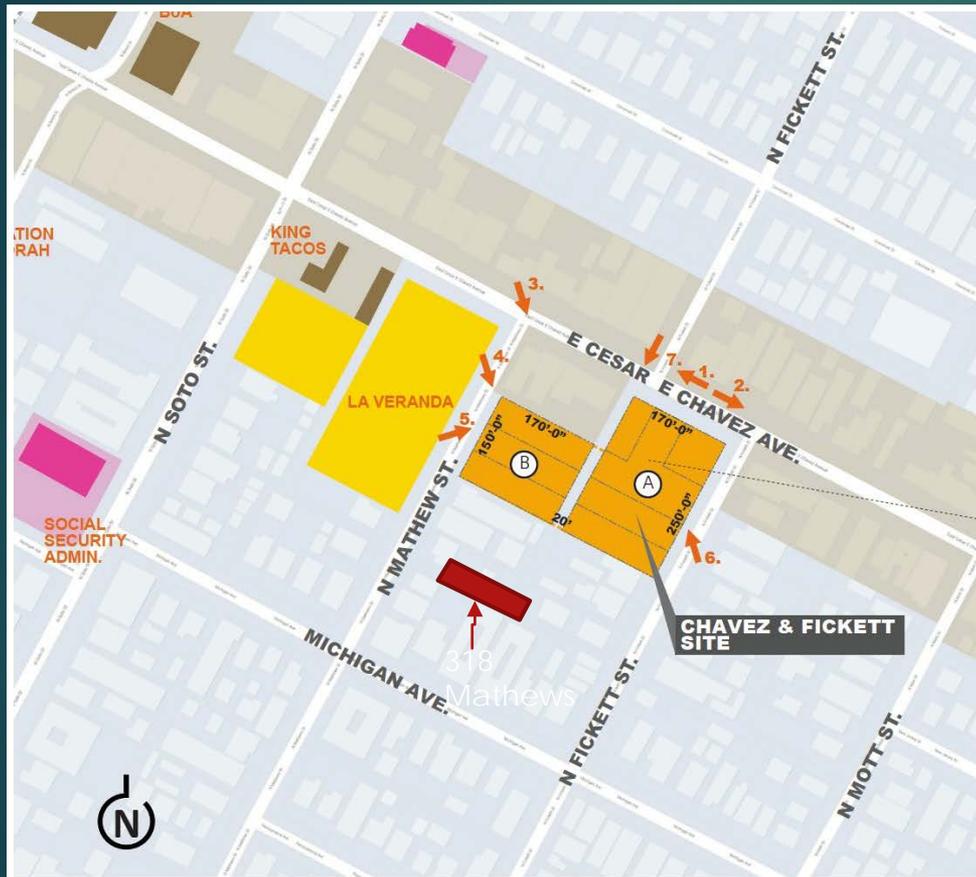
Under Age 5:	1,278	512
Age 5 to 9:	1,157	432
Age 10 to 14:	1,217	438
Age 15 to 17:	762	276
Age 18 to 64:	8,467	3,087
Age 65 and Over:	1,211	357

Households Served by Annual Income

Under \$25,000:	1,646	558
\$25,000 to \$34,999:	709	332
\$35,000 to \$49,999:	601	203
\$50,000 to \$74,999:	438	181
\$75,000 and Over:	422	160

Source: Census/ACS 2010

318 N MATHEWS ST, LOS ANGELES, CA 90033, APN: 5180-008-010



- 318 Mathews – Proposed Park
- Veranda Housing Development
- Chavez & Fickett Development



RAP REAL ESTATE UNIT

APN: 5180-008-010



318 N MATHEWS ST, LOS ANGELES, CA
90033, APN: 5180-008-010



**RAP REAL
ESTATE
UNIT**

318 N MATHEWS ST, LOS ANGELES, CA 90033, APN: 5180-008-010

**RAP REAL
ESTATE UNIT**

