

CITY OF LOS ANGELES

CALIFORNIA

CAROLYN M. HULL
GENERAL MANAGER



KAREN BASS
MAYOR

**ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT**

1200 W. 7TH STREET
LOS ANGELES, CA 90017

July 27, 2023

Council File: 10-1068
Council District: 8
Contact Person: Fred Jackson,
Phone (213) 744-9723

Matthew W. Szabo, Chair
Municipal Facilities Committee
200 N. Main Street, Suite 1500
Los Angeles, CA 90012

**TRANSMITTAL: REQUEST THAT THE CITY COUNCIL APPROVE DOCUMENTS
NECESSARY TO EXECUTE THE SALE OF CITY-OWNED PROPERTIES LOCATED AT
5510 S. MANHATTAN PLACE AND 12243 BLAKLEY AVENUE**

The General Manager of the Economic and Workforce Development Department (EWDD), or designee, respectfully requests that your Committee review and approve this transmittal and forward to the City Council for further consideration.

SUMMARY

EWDD is requesting authority to complete the direct sale of the City-owned properties located at 5510 S. Manhattan Place, Los Angeles, CA 90062 (APN 5005-031-900) and 12243 Blakley Avenue, Los Angeles CA 90059 (APN 6148-021-270) (collectively "Properties") as shown on Exhibits "A" and "B". The Properties are no longer required for use by the City. The Properties will be sold "As Is with all faults". The proceeds of this sale, after deducting required closing costs, broker fees, and other related expenses, will be distributed according to the City Council's prior authorization from November 2021 in Council File 10-1068, as further described below.

RECOMMENDATIONS

The General Manager of EWDD, or designee, respectfully requests that the Los Angeles City Council, subject to the approval of the Mayor as required:

1. DETERMINE, based on the findings contained herein, that the public interest and necessity require the direct sale of the Properties, without notice of sale or advertisement for bids, to WICKS INVESTMENTS, INC., a California Corporation.
2. ADOPT the accompanying Ordinance dated _____, 2023 (Exhibit C) from the City Attorney authorizing the "As Is and with all faults" sale of the real properties located at 5510 S. Manhattan Place, Los Angeles, CA 90062 (APN 5005-031-900) and 12243 Blakley Avenue, Los Angeles CA 90059 (APN 6148-021-270), including all stated Exceptions and Reservations, without notice of sale or advertisement of bids, to WICKS INVESTMENTS, INC., a California corporation for the negotiated sale price of \$725,000.00;
3. APPROVE the accompanying Purchase and Sale Agreement based on the terms specified in the Ordinance dated _____, 2023 (Exhibit D), for the sale of the real properties located at 5510 S. Manhattan Place, Los Angeles, CA 90062 (APN 5005-031-900) and 12243 Blakley Avenue, Los Angeles CA 90059 (APN 6148-021-270);
4. INSTRUCT EWDD to complete the transactions outlined in the Ordinance dated _____, 2023, process the necessary documentation to execute the sale, pay customary closing costs and brokerage fees associated with the sale of the Properties; retain and deposit funds for EWDD closing costs and expenses associated with the transaction into the appropriate EWDD accounts, and deposit the sale proceeds, as follows:
 - a. Fund No. 424, Department No. 22, Revenue Source No. 5188 reimbursing CDBG for the \$49,118 loan payment for Bank of America senior lien (CF:10-1068-S1);
 - b. Fund No. 424, Department No. 22, Revenue Source No. 4974 for the remaining principal balance of the CDBG loan amount of \$101,236.92 (CF:94-0561);
 - c. Fund No. 100, Department No. 22, Revenue Source No. 5188 for the \$23,072.93 for repayment to EWDD for current and past due Los Angeles County property taxes for the Blakley property that were paid to the County as of June 28, 2023;
 - d. Remaining balance to be apportioned fifty percent toward the sale of the Manhattan Property and fifty percent toward the sale of the Blakley Property;
 - e. Fifty percent of any remaining balance from the sale of the Manhattan Property shall be deposited into the Council District 8 Real Property Trust Fund No. 690, Department No.14, Revenue Source No.5141, and the remaining fifty percent into EWDD's Economic Development Trust Fund No.

62L, Department No. 22, Revenue Source No. 5141 (CF:16-0931, Ordinance No. 185956); and

- f. Fifty percent of any remaining balance from the sale of the Blakley Property shall be deposited into the General Fund No. 100, Department No. 62, Revenue Source No. 5141, as this property is not within a Council District, and fifty percent into EWDD's Economic Development Trust Fund No. 62L, Department No. 22, Revenue Source No. 5141; and
5. AUTHORIZE the General Manager of EWDD, or designee, to issue Controller's instructions and make technical corrections or adjustments that may be required and are consistent with these City Council and Mayoral actions, subject to the approval of the City Administrative Officer (CAO).

BACKGROUND

The Properties are two single family dwellings acquired by the City of Los Angeles in 2010:

- 5510 S. Manhattan Place, Los Angeles, CA 90062 in Council District 8 ("Manhattan Property").
- 12243 Blakley Avenue, Los Angeles, CA 90059 ("Blakley Property") in the Willowbrook neighborhood of unincorporated Los Angeles County.¹

In April 1994, the City of Los Angeles' Community Development Department ("CDD") made a business support loan of \$450,000 using federal Community Development Block Grant ("CDBG") funds to Tri-Afram Enterprises (C.F. 94-0561). The loan was secured by three single-family dwellings. The borrowers went into default in late 1994.

In December 2009, the City received partial repayment of \$348,263.08 from the net proceeds of a voluntary sale of one of the three properties. The partial repayment amount was applied to the principal balance. After the repayment, the remaining principal balance was \$101,236.92 as of October 2010.

On January 21, 2010, CDD executed a non-judicial foreclosure on the other two properties (5510 S. Manhattan Place and 12243 Blakley Avenue) through trustee sale proceedings. No bids were made for the properties at these proceedings. As a result, ownership of the Manhattan and Blakley properties was transferred to the City.

In October 2010, the Los Angeles City Council approved the payment of the remaining mortgages, and in order to recover the outstanding balance on the defaulted City loan, requested that City departments determine the method for disposing of the Properties (C.F. 10-1068 and 10-1068-S1.)

¹ The Blakley Avenue property in unincorporated Los Angeles County is located two blocks from a property in Compton, California 90222 which has the address "12243 S. Blakely Avenue." As the street address is identical and the street names are very close in spelling, the parcels often get confused.

In November 2021, the City Council took the following actions with regard to the Properties (C.F. 10-1068):

- 1) Declared the Properties surplus in accordance with all relevant provisions and statutes;
- 2) Authorized the General Manager of EWDD to negotiate and execute all documents necessary for the disposal of the Properties;
- 3) Authorized EWDD to use a Real Estate Broker or Auction Service to dispose of the Properties;
- 4) Requested the City Attorney to prepare the Grant Deed, the Sales Ordinance, and any related documents necessary to effectuate the disposal of the Properties;
- 5) Authorized EWDD to use the sales proceeds to pay the costs and fees necessary to dispose of the Properties, including determining the costs and fees, depositing funds in the proper accounts, and prepare Controller instructions.
- 6) Requesting the Controller to implement the instructions.

FINDINGS

1. Public Interest

In accordance with LAAC Division 7, Chapter 1, Article 4 Section 7.22, the Council may determine that the sale of City-owned property is in the public interest or necessity. In this event, the Council may, by ordinance with two-thirds vote, authorize the sale of City-owned property, without notice of sale or advertisement for bids, upon review and recommendation by the City Administrative Officer.

The immediate sale of the Properties will protect the public, eliminate liability and additional expenses to address continued deterioration, and prevent future trespassing and vandalism. In addition, the sale of these houses will create two additional rental or homeownership opportunities in the Los Angeles housing market that do not exist today. The City has an affordability crisis that is partly caused by lack of supply, so making homes available for rent or purchase will help alleviate that crisis.

Funds recovered through the sale, following satisfaction of outstanding obligations, will be placed in designated accounts and repurposed for future City priorities.

Property Condition and Maintenance Costs

The Blakley Property is located outside of the boundaries of the City of Los Angeles, in the Willowbrook section of unincorporated Los Angeles County, and is believed to have an unauthorized occupant residing at the property. Since the property will be sold "As Is with all faults", the Buyer will be responsible for relocating the occupant.

The Manhattan Property has become a nuisance for the City. In the past, the City has been cited for failing to maintain the property and continues to receive complaints from the

neighbors about the condition of the property as well as trespassing by unauthorized individuals. In July 2022, the property was set on fire and the roof was damaged. The repair cost the City about \$15,000. Previous costs for demolition of the garage and fence repair, and ongoing budget for weed abatement and security patrol, bring the estimated recent and future costs for holding the property to almost \$150,000.

This sale of the Properties will save the City annual maintenance costs, remove any legal issues related to the unauthorized occupant, remove the possibility of another house fire, and return both homes to the County tax rolls which will generate annual revenues from the payment of taxes on the Properties.

2. Marketing

While a “notice of sale or advertisement for bids” as set forth at Los Angeles Administrative Code sec. 7.23, et al. was not performed, in February 2022, EWDD did issue a Request for Bids (a competitive solicitation) to the entire list of appraisers on the Real Estate Services and Brokerage Service Area of the CAO’s pre-qualified list. Overland, Pacific and Cutler, LLC was the most qualified respondent and was selected as the Broker, and the contract was signed in June 2022. Marketing of the property commenced in early 2023 and consisted of the following:

- Notices of availability and property information were sent to Non-Profit Organizations.
- Notices of availability and property information were sent to HCD-approved developers.
- The Properties were listed for sale on Loop Net/CoStar.
- Realtor outreach.

EWDD staff directed the Broker to advertise the property to affordable housing nonprofits first. The Broker did as directed, making multiple attempts to contact affordable housing developers with a track record in converting single family homes to permanent affordable housing. Unfortunately, only one of the nonprofits submitted an offer. The others felt that the project would not be viable for their organizations.

Once that avenue was exhausted, the Broker listed the Properties for sale on commercial real estate websites.

3. Competitive Bidding

The Properties received three initial offers: one offer for \$100,000 for both properties, one offer for \$250,000 for one property, and one offer for \$530,000 for both properties. The low offer was from an affordable housing nonprofit, and the other offers were from commercial investors.

In response to the City's counter offers, the second bidder (Wicks) raised their offer to \$725,000 for both properties, and the third bidder raised their offer to \$590,000. The City selected the highest bidder, Wicks Investments, Inc.

SALE TERMS

ADDRESS / APN	SALE PRICE	PURCHASER
5510 S. Manhattan Place, Los Angeles, 90062 APN: 5005-031-900	\$725,000	Wicks Investments, Inc.
12243 Blakley Ave. Los Angeles, 90059 APN: 6148-021-270		

The direct sale is a cash transaction. EWDD will open escrow, receive funds and record the appropriate deed to close this transaction. The Property is being sold "As Is with all faults".

The prospective purchaser will pay the recording fee, documentary transfer taxes, other real estate transaction taxes or fees, one-half escrow fees, messenger service fees, if any, personal property taxes where applicable and at Purchaser's option an ALTA title insurance policy. Purchaser at its own expense may obtain any desired survey of the property. The City, as seller, will only pay the broker's fee, one-half of the escrow fees, and the CLTA title insurance policy.

Property Valuation

City Real Estate staff performed a Class "C" appraisal of the Properties. Recent sales prices in the area of 5510 S. Manhattan Place range from \$405,000 to \$470,000. The value of the Manhattan Property is steeply discounted (over 30%) due to its condition. Recent sales prices in the area of 12243 S. Blakley Avenue range from \$405,000 to \$485,000. The value of the Blakley Property is slightly discounted (10%) due to the unauthorized occupant.

The value of the Properties is determined to be \$302,000 for 5510 S. Manhattan Place and \$359,000 for 12243 Blakley Avenue. GSD staff provided a valuation review of the Class "C" appraisal and concurred with the valuation of the Properties.

Clearances and Approvals

In March 2018, EWDD received comments from the District Engineer. In July 2018, EWDD received notice from the Department of City Planning that the sale of the property is consistent with the General Plan.

In May 2018, the Bureau of Engineering (BOE) provided a determination that the properties were both exempt from the California Environmental Quality Act (CEQA). In the same month, BOE also provided the Hazardous Substance Disclosure for the Properties.

Net Proceed Distribution

In November 2021, the City Council granted EWDD the authorization to determine and expend from the sales proceeds the amount necessary to pay for the City's required closing costs, broker fees, and other related costs; to deposit sale proceeds into the City's General Fund, Community Development Block Grant Fund, the Real Property Trust Fund of Council District 8, and the EWDD Trust Fund, as indicated; and to prepare Controller instructions and make technical corrections or adjustments. (C.F. 10-1068).

Per the Transmittal from the Economic and Workforce Development Department, dated October 20, 2021, proceeds from the sale of the Properties are to be apportioned fifty percent toward the sale of the Manhattan Property and fifty percent toward the sale of the Blakley property, and distributed as follows:

Per the Sales Ordinance prepared for this sale (Exhibit C), fifty percent of any remaining balance from the sale of the Manhattan Property shall be deposited into the Real Property Trust Fund of Council District 8 Real Property Trust No. 690, Department No. 14, Revenue Source 5141, and the remaining fifty percent into the EWDD Trust Fund No. 62L, Department No. 22, Revenue Source No. 5141 ("EDTF") (C.F. 16-0931, Ordinance No. 185956); and

Fifty percent of any remaining balance from the sale of the Blakley Property shall be deposited into the General Fund No. 100, Department No. 62, Revenue Source No. 5141, as this property is not within a Council District, and fifty percent into EWDD Economic Development Trust Fund No. 62L, Department No. 22, Revenue Source No. 5141.

An estimated budget based on the negotiated sales prices and the estimated costs/expenses is included here:

	<u>Item</u>	<u>Amount</u>
Revenue:	Sale of the Manhattan and Blakley Properties	\$725,000.00
	<u>Sale Proceeds</u>	
Costs/Expenses:	Current and past due property taxes	\$23,072.93
	General Fund reimbursement of bank loan (C.F. 10-1068-S1)	\$49,118.00
	Remaining principal balance of CDBG loan (C.F. 94-0561)	\$101,236.92
	Estimated Broker Fees including marketing expenses	\$17,500.00

	Estimated Closing Costs	\$12,000.00
	<u>Subtotal</u>	<u>\$202,927.84</u>
	Estimated Remaining Net Proceeds (Sale Proceeds Less Costs/Expenses)	\$522,072.16
Distribution to the EWDD Trust Fund:	50% of Manhattan Property Net Proceeds	\$130,518.04
Distribution to the EWDD Trust Fund:	50% of Blakley Property Net Proceeds	\$130,518.04
Distribution to the CD 8 Real Estate Fund:	50% of Manhattan Property Net Proceeds	\$130,518.04
Distribution to the General Fund:	50% of Blakley Property Net Proceeds	\$130,518.04

Surplus Land Act and Relocation

In February 2011, written notices of availability for the Properties were provided in compliance with the then-operative version of the Surplus Land Act (California Government Code Section 54220, et seq.). By April 25, 2011, more than 60 days after distributing the notices of availability, the City had received no notices of interest in the Properties from any entity or association desiring to purchase or lease the surplus land for any of the purposes authorized by the Surplus Land Act. Most notably, the City did not receive any responses or notices of interest from any Housing Sponsors, as defined by Section 50074 of the Health and Safety Code, regarding the Properties.

In August 2021, the City received confirmation from the state's Department of Housing and Community Development (HCD) that the disposition of the Properties is subject to the version of the Surplus Land Act that was law at the time the City determined there was a surplus and initiated the noticing (to wit, 2011). Accordingly, despite unforeseen delays, the City has complied with all requirements of the Surplus Land Act and is now ready to proceed with disposing of the Properties.

The Manhattan Property is located in Council District 8. The Council Member for that district has been notified of the proposed sale and concurs with the sale of this property or otherwise has no objections. The Blakley Property is located outside the City in an unincorporated part of Los Angeles County. The Properties were granted to the City, through EWDD, on January 10, 2010 as a result of a default on a loan. The Blakley Property is also currently occupied by an unauthorized trespasser where the City has made attempts to come to a solution but has not been successful.

EWDD has confirmed that the City is not required to provide any form of relocation for the unauthorized occupant.

FISCAL IMPACT

The sales of these properties will generate one-time gross revenue to the City of approximately \$725,000 prior to the payment of the costs of sales. The net proceeds will be deposited as follows:

Fifty percent of the remaining balance from the sale of the Manhattan Property shall be deposited into the Real Property Trust Fund of Council District 8 and the remaining fifty percent into the EWDD Trust Fund ("EDTF") (C.F. 16-0931, Ordinance No. 185956); and

Fifty percent of the remaining balance from the sale of the Blakley Property shall be deposited into the General Fund, as this property is not within a Council District, and fifty percent into the EDTF.

The immediate sale of the Properties will protect the public, eliminate liability and additional expenses to address continued deterioration as well as prevent future break-ins, trespassing and vandalism. Funds recovered through the sale will be placed in appropriate accounts and repurposed for future City priorities.


Carolyn Hull (Jul 21, 2023 11:08 PDT)

Carolyn Hull
General Manager

CH:FJ:BLM:dk

Exhibits:

- A) Parcel Map of 5510 S. Manhattan Place
- B) Parcel Map of 12243 Blakley Avenue
- C) Sales Ordinance of 5510 S. Manhattan Place and 12243 Blakley Avenue
- D) Purchase and Sale Agreement with Wicks Investments, Inc.

EXHIBIT A Parcel Map of 5510 S. Manhattan Place

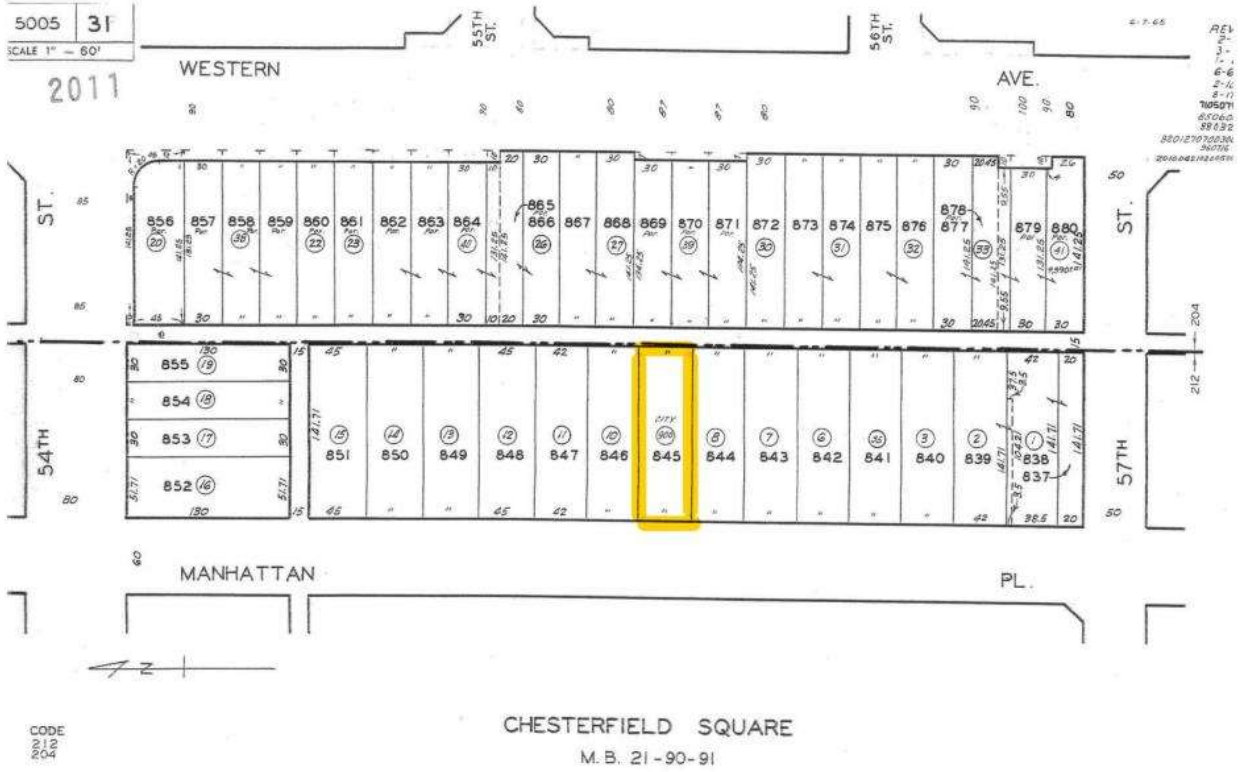


EXHIBIT B Parcel Map of 12243 Blakley Avenue



EXHIBIT C
Sales Ordinance of 5510 S. Manhattan Place and 12243 Blakley Avenue

EXHIBIT D
Purchase and Sale Agreement with Wicks Investments, Inc.

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

Between

**WICKS INVESTMENTS, INC, a California Corporation
(BUYER)**

and

**CITY OF LOS ANGELES,
a municipal corporation of the State of California
(SELLER)**

**For Properties Located at
5510 S. Manhattan Place
Los Angeles, CA 90062
and
12243 Blakley Ave.
Los Angeles, CA 90059**

DATED: _____

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EXHIBITS:

- EXHIBIT A - LEGAL DESCRIPTION OF LAND
- EXHIBIT B - FORM OF GRANT DEED (5510 S. Manhattan Place)
- EXHIBIT C - FORM OF GRANT DEED (12243 Blakley Avenue)

(v ECY 11-19-2020)

Commonwealth Title Insurance Company
("Escrow Holder")
4100 Newport Place Dr., Ste. 120
Newport Beach, California 92660
Attention: Chris Maziar
Telephone: (949) 724-3170
Email: teammaziar@cltic.com

Escrow No. _____ ("Escrow")

Date of Opening of Escrow:

("Opening of Escrow")

PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

THIS PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS ("Agreement") is made and entered into as of August _____, 2023, by and between **Wicks Investments, Inc**, a California Corporation ("Buyer"), and the **City of Los Angeles**, a municipal corporation of the State of California ("Seller" or "City"), acting by and through its Economic and Workforce Development Department. The City and Buyer are hereinafter sometimes individually referred to as a "party" and collectively referred to as the "parties."

RECITALS

- 1. WHEREAS**, the City acquired two single family residences via a foreclosure sale that occurred on January 21, 2010;
- 2. WHEREAS**, one single family residence is located at 5510 South Manhattan Place, Los Angeles, California 90062 ("Manhattan Property") and the other single family residence is located outside the City of Los Angeles, with an address of 12243 Blakley Avenue, Los Angeles, California 90059 ("Blakley Property").
- 3. WHEREAS**, the parties hereby acknowledge that with respect to the Manhattan Property and the Blakley Property, the City has functioned as passive owner, and possesses limited knowledge regarding the physical condition, history and all other aspects of both the Manhattan Property and the Blakley Property;

4. **WHEREAS**, Buyer hereby acknowledges that the Manhattan Property and the Blakley Property have been poorly maintained and may require significant repair in order to be considered in compliance with applicable laws or to be marketable to potential tenants or purchasers;
5. **WHEREAS**, the City is aware and has previously disclosed to Buyer that one or more unauthorized individuals currently occupy the Blakley Property, and that other unauthorized individuals may have previously occupied either or both the Manhattan Property or the Blakley Property;
6. **WHEREAS**, Buyer hereby acknowledges that it is a thirty (30) year old company, has acquired more than four hundred (400) properties over the last twenty-five (25) years, is capable of conducting its own due diligence, and has the necessary experience and sophistication to make informed decisions regarding the “As Is” purchase of distressed real estate;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and Buyer hereby agree as follows:

Section 1. Agreement to Purchase Property.

1.1 City agrees to sell to Buyer, and Buyer agrees to purchase from City, two (2) single family residences (“Property”).

- 1.1.a Those certain real properties having an Assessor's Parcel Number (APN) of 5005-031-900, within the City of Los Angeles, with an address of 5510 South Manhattan Place, Los Angeles, California 90062 **and** Assessor's Parcel Number (APN) of 6148-021-270, outside the City of Los Angeles, with an address of 12243 Blakley Avenue, Los Angeles, California 90059 (**Property**), more fully described in **Exhibit A** (“Land”);
- 1.1.b All existing improvements and fences on the Land, if any; and
- 1.1.c All existing rights, privileges and appurtenances conveyed with the Land, if any, are subject to the provisions of Los Angeles Administrative Code, including Chapter 7, Section 730, and as set forth in this Agreement.

1.2 Buyer’s purchase of the Property and Seller’s sale of the Property are subject to:

- 1.2.a All terms and conditions set forth in this Agreement and all exhibits hereto;
- 1.2.b All matters and restrictions set forth in the grant deeds attached hereto as **Exhibit B and C, respectively** (the “Deed” or “Deeds”, whichever the case may be);
- 1.2.c All terms, conditions and disclosures as stated in the following: (i) Ordinance Number [redacted] of the City of Los Angeles (“Ordinance”) and (ii) any material or information relating to the Property that is of public record or otherwise available to Buyer; and
- 1.2.d Any and all applicable federal, state and local laws, orders, rules, regulations, any and all outstanding rights of record and those rights that are open and obvious on the Property.

Section 2. Purchase Price.

- 2.1 Purchase Price. Buyer agrees to pay the City the purchase price of SEVEN HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$725,000.00) ("Purchase Price") for the Property at Closing.
- 2.2 Deposit. Upon execution of this Agreement, Buyer shall pay to the City a deposit of three percent (3%) of the Purchase Price ("Deposit") in the amount of TWENTY-ONE THOUSAND SEVEN HUNDRED FIFTY DOLLARS (\$21,750.00). The Deposit will be retained by the City until Close of Escrow. If Buyer fails to complete the purchase because of Buyer's default, the City shall retain, as liquidated damages, the Deposit.

Section 3. Title.

- 3.1 At Closing, Escrow Holder shall deliver to Buyer two separate deeds to the Land executed by the City, substantially in the form of **Exhibit B** and **Exhibit C** attached hereto. Title shall be evidenced by the issuance by Commonwealth Title Insurance Company ("Title Company") of a CLTA (California Land Title Association) Standard Coverage Policy of Title Insurance in the full amount of the Purchase Price ("Title Policy"), insuring fee simple interest subject to:
 - 3.1.a A lien to secure payment of real property taxes and assessments, not delinquent;
 - 3.1.b Matters affecting the condition of title created or permitted to be created by or with the written consent of Buyer;
 - 3.1.c Standard exceptions in the Title Policy, and title exceptions that are disclosed by the Title Report or any supplementary report; and
 - 3.1.d All other exceptions and reservations set forth in the Deed.
- 3.2 Buyer, at its option and at its sole cost and expense, may obtain an ALTA policy with extended coverage with an ALTA survey, provided, however, that the failure to obtain such policy or extended coverage or survey shall not be a condition to nor delay the Close of Escrow beyond the Closing Date.

Section 4. Inspection and Due Diligence Period.

- 4.1 Buyer acknowledges that, prior to entering into this Agreement, the City urged Buyer to inspect the Property.
- 4.2 Due to the Property's distressed nature and the unauthorized occupancy of the Blakley Property, Buyer shall be provided a relatively long "Feasibility Period" of ninety (90) days. The Feasibility Period shall begin on the Effective Date and shall expire on the ninetieth day after the Effective Date. "Effective Date" shall mean the date on which the final executed Agreement is date stamped by the Los Angeles City Clerk.
- 4.3 Buyer shall have the right, during the Feasibility Period, to investigate title and to make such investigations and studies with respect to the Property as Buyer deems necessary or appropriate to determine the feasibility of purchasing the Property. Buyer, may, in its sole discretion, terminate this Agreement by written notice to Escrow and to Seller no later than 5:00:00 p.m. Pacific Time on the day on which the Feasibility Period expires. If the Feasibility Period, shall expire on a weekend or a holiday, then the Feasibility Period shall expire on the next business day on which Escrow Agent shall be open.

4.4 Within three (3) business days after the Opening of Escrow, Buyer, at its sole cost and expense, shall obtain a preliminary title report for the Property ("Title Report"), together with copies of the available documents underlying the exceptions contained therein, and furnish a copy of same to the City. Buyer acknowledges that Buyer has had an opportunity to review title conditions and exceptions for the Property prior to entering into this Agreement. After the expiration of the Feasibility Period, Buyer hereby agrees to accept all title conditions and exceptions set forth in the Title Report. The Closing shall not be contingent upon any right of the Buyer to object to any portion of the Title Report or any title condition of the Property.

Section 5. Buyer's Obligation to Close.

After the expiration of the Feasibility Period, Buyer's obligation to purchase the Property and diligently pursue Closing shall not be contingent upon any condition or contingency, except as otherwise specified herein. In the event Closing does not occur due to Buyer's decision, action and/or omission, the City shall have the right to pursue any remedy available to City in law or equity, including the retention of the Deposit, and the City may, at its sole discretion, unilaterally terminate this Agreement.

Section 6. [Intentionally omitted]

Section 7. As Is Sale; Release.

7.1 "As Is" Sale. Buyer and their representatives, prior to the Closing Date, will have been afforded the opportunity to make such inspections of the Property and matters related thereto and review of City's records as Buyer and their representatives desire, including, without limitation, governmental laws and regulations to which the Property is subject, and Buyer shall accept the Property upon the basis of its review and determination of the applicability and effect of such laws and regulations. Buyer acknowledges and agrees that the Property is to be sold and conveyed to and accepted by Buyer in an "AS IS" condition with all faults.

Buyer has been encouraged to conduct its own independent inspection of all aspects of the Property, including without limitation the physical condition of all improvements, soil stability of the Property and its surroundings.

7.2 The City does not make any representations or warranties of any kind whatsoever, either express or implied, with respect to the Property or any of such related matters; in particular, but without limitation, the City makes no representations or warranties with respect to the use, condition, title, soil stability, occupation or management of the Property, compliance with applicable statutes, laws, codes, ordinances, regulations or requirements relating to leasing, zoning, subdivision, planning, building, fire, safety, health or environmental matters, other local, municipal, regional, state or federal requirements, or other statutes, laws, codes, ordinances, regulations or requirements. Buyer represents, warrants, and covenants that it is entering into this Agreement on the basis of Buyer's own investigation of records and of the physical and environmental conditions of the Property, including the subsurface conditions. Buyer assumes the risk

that adverse physical and environmental conditions may not have been revealed by their investigation. Buyer's representations, warranties, and covenants shall survive the Close of Escrow. Buyer shall indemnify, hold harmless, and defend the City, its successors, assigns, agents, officials, employees, members, independent contractors, affiliates, principals, officers, directors, attorneys, accountants, representatives, staff, board and council members of the City, and of each of them (collectively "City Representatives"), from and against any and all liens, claims, causes of action, damages, liabilities and expenses (including reasonable attorneys' fees) arising out of the development/construction, use, and/or occupancy of the Property. Buyer's indemnity obligations under this section shall survive the termination of this Agreement and shall survive the Closing.

- 7.3 RELEASE. Buyer, for itself, its successors and assigns, hereby waives, releases, remises, acquits and forever discharges City Representatives, of and from, any claims, actions, causes of action, demands, rights, damages, costs, expenses, penalties, fines or compensation whatsoever, direct or indirect, which Buyer now has or which Buyer may have in the future on account of or in any way arising out of or in connection with the stability of the soil and conditions of the soil on the Property, the known or unknown physical or environmental condition of the Property, including, any contamination in, on, under or adjacent to the Property by any hazardous or toxic substance or material, or any federal, state or local law, ordinance, rule or regulation applicable thereto, including, the Toxic Substances Control Act, the Comprehensive Environmental Response, Compensation and Liability Act, and the Resource Conservation and Recovery Act. The foregoing shall apply regardless of any negligence or strict liability of City, its affiliates, employees, agents, officers, successors or assigns. With respect to the foregoing release, Buyer expressly waives the benefits and protections of section 1542 of the California Civil Code, which read as follows:

"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

Buyer Hereby Evidences Its Specific Agreement To The Terms Of This Release By Placing Its Signature Or Initials In The Place Provide Hereinafter.

Buyer Initials

Section 8. Opening of Escrow and Escrow Instructions.

8.1 Opening of Escrow.

- 8.1.a The Opening of Escrow shall take place immediately after all parties have executed this Agreement, and said Agreement is deposited into an escrow account with an Escrow Holder of City's choosing. Upon execution of this Agreement, the parties must deposit one (1) executed counterpart of this Agreement, electronic

signatures accepted, with the Escrow Holder and this instrument shall serve as the instructions to the Escrow Holder for consummation of the purchase and sale of the Property.

- 8.1.b The Escrow Holder must deliver to both Buyer and City a set of counterparts of the Agreement executed by Buyer, City and Escrow Holder and retain a set in Escrow.
- 8.1.c Escrow Holder will only be responsible for undertaking such matters in connection with the Closing as are specifically provided for herein or in any additional or supplementary escrow instructions delivered by the parties.
- 8.1.d In the event the Buyer does not execute this Agreement within five (5) business days after City's execution of this Agreement, and City has not extended the time to Buyer to execute this Agreement and the Close of Escrow, then the terms and conditions contained herein shall be null and void and of no further force and effect.
- 8.2 Brokerage Fees. Overland, Pacific & Cutler ("Broker") is acting as the City's exclusive representative in this transaction. Upon the Close of Escrow, Broker shall receive commission equal to two percent (2%) of the Purchase Price, plus Three Thousand Dollars (\$3,000.00), which, in this case, is equal to the total amount of Seventeen Thousand Five Hundred Dollars (\$17,500.00). City shall be responsible for Broker's fee.
- 8.3 Dispute Over Brokerage and Finders' Fees. Except as stated in Section 8.2 of this Agreement, no broker's fee, finder's fee, commission or similar compensation shall be paid by principals of Buyer or the City in connection with this Agreement. In the event of a claim for broker's fee, finder's fee, commission or other similar compensation in connection herewith other than as set forth above, Buyer, if such claim is based upon any agreement alleged to have been made by Buyer, hereby agrees to indemnify and hold the City and City Representatives harmless against any and all liability, loss, cost, damage or expense, including attorneys' fees, which the City may sustain or incur by reason of such claim. The City, if such claim is based upon any agreement alleged to have been made by City, hereby agrees to indemnify and hold Buyer harmless against any and all liability, loss, cost, damage or expense, including attorneys' fees, which Buyer may sustain or incur by reason of such claim. The provisions of this Section shall survive the Close of Escrow or termination of this Agreement.
- 8.4 Closing.
- 8.4.a Closing; Date. The consummation of the transaction contemplated by this Agreement and recording of the Deed (the "Closing" or "Close of Escrow") shall occur and delivery of all items to be made at the Closing under the terms of this Agreement shall occur no later than three (3) business days after the expiration of the Feasibility Period ("Closing Date"), unless extended by mutual written agreement of the parties and the written agreed upon extension is delivered to the Escrow Holder at least one (1) business day before the Closing Date.

8.4.b Preclosing Conditions. Provided that Escrow Holder can comply with these instructions, that Escrow Holder has received the deliveries described herein, that Escrow Holder has not received prior written notice from a party that any condition to such party's obligations has not been fulfilled, or that Buyer has elected to terminate its rights and obligations hereunder, or City has elected to terminate its rights and obligations hereunder, and the Title Company has issued or is conditionally prepared to issue to Buyer, as of the Closing Date, the Title Policy, then Escrow Holder is authorized and instructed to (a) record the Deed, (b) deliver the Purchase Price to the City, less any prorations and costs of Escrow in accordance with Closing Statements, (c) deliver conformed copies of the recorded Deed to Buyer and City, and (d) deliver the closing statements to Buyer and City in accordance with this Section.

8.5 Notification: Closing; Statements.

If Escrow Holder cannot comply with the instructions herein or to be provided, then Escrow Holder is not authorized to cause the recording of the Deed or close this Escrow. If Escrow Holder is unable to cause the recording of the Deed, then, without delay, Escrow Holder shall notify those individuals identified in the Notices section, Section 12. If Escrow Holder is able to comply with the instructions herein and to be provided, immediately after the Closing, Escrow Holder shall deliver to Buyer and the City at the addresses provided in the Notices section, Section 12, a true, correct and complete copy of the closing statement, in the form customarily prepared by Escrow Holder.

8.6 Deliveries by City.

Not later than one (1) business day prior to the Closing Date, the City shall deposit with Escrow Holder the following items:

8.6.a Deed. The Deed in the form of **Exhibit B** duly executed and acknowledged by City;

8.6.b Non-Foreign Status Certificate. A Non-Foreign Status Certificate pursuant to Internal Revenue Code Section 1445 duly executed by City.

8.6.c California Form 593-C. An executed California Form 593-C (Real Estate Withholding Certificate).

8.6.d Other Documents. Any other documents, instruments, data, records, correspondence or agreements called for hereunder which have not previously been delivered.

8.7 Deliveries by Buyer.

Not later than one (1) business day prior to the Closing Date, or such other time specified below, Buyer shall deposit with Escrow Holder the following items:

8.7.a Balance. An amount of Seven Hundred Twenty-Five Thousand Dollars (\$725,000.00) which is the Purchase Price, plus Buyer's share of the prorations and costs associated with the sale, which are required for Close of Escrow, less the amount of the Deposit.

- 8.7.b Other Documents. Any other documents, instruments, data, records, correspondence or agreements called for hereunder which have not been previously delivered.
- 8.7c Certificate of Acceptance. To be attached to the Grant Deeds for recording

8.8 Other Instruments.

Buyer and the City shall each deposit such other instruments and take such other actions as are reasonably required by Escrow Holder or otherwise required to close the Escrow and consummate the purchase of the Property in accordance with the terms hereof.

8.9 Proration.

All revenues and expenses of the Property, including, without limitation, real property taxes, special taxes, assessments and utility fees and/or deposits, shall be prorated and apportioned between Buyer and the City as of 12:01:00 a.m. on the Closing Date, so that the City bears all expenses with respect to the Property and has the benefit of all income with respect to the Property through and including the date immediately preceding the Closing Date. Buyer and the City hereby agree that any of the aforesaid prorations which cannot be calculated accurately as of the Closing Date shall be prorated on the basis of the parties' reasonable estimates, and shall be recomputed between Buyer and City when actual tax statements for the year of Closing are received, and either party owing the other party a sum of money based on such subsequent proration adjustment shall promptly pay said sum to the other party, and, if payment is not made within ten (10) days after delivery of a bill therefore, shall pay interest thereon, at the lesser of the rate of ten percent (10%) per annum or the highest rate permitted by law, from the Closing Date to the date of payment.

8.10. Special Taxes. Bonds or Assessments.

If, at the time of Closing, any portion of the Property is affected by an assessment or other charge, whether for taxes or bonds, or interest thereon, which is or may become payable in installments, and an installment payment of such assessment is then a lien, then such installment shall be prorated as of midnight at the end of the day preceding the Close of Escrow. All installments not then yet due whether or not the same have been prepaid shall not be prorated and Buyer shall assume such bonds or assessments. Any prepaid assessments made in advance of its due date shall be credited to Seller.

8.11. Costs and Expenses.

Buyer shall pay for all costs and expenses for the Property upon the Close of Escrow, including documentary transfer taxes, recording fees, at buyer's option an ALTA, title insurance policy, miscellaneous fees; and half of the Escrow fees. The City shall only pay for half of the Escrow fees and CLTA upon the Close of Escrow.

8.12. Disbursement of Funds.

On the Close of Escrow, Escrow Holder shall disburse to the City, in immediately available funds, the Purchase Price less (a) City's share of prorations as determined in Section 8; and (b) one-half of the Escrow fees. At the City's discretion, such funds may be mailed or wired as of 1:00 p.m. on such date in order that such funds may be received

by City on the Close of escrow provided, however, that if such funds cannot be wired to City on the Close of Escrow, Escrow Holder shall, unless otherwise directed in writing by City, invest the funds overnight in an interest-bearing account.

8.13. Delivery of Documents.

Upon the Close of Escrow all instruments and documents shall be delivered forthwith to such party's attorney as specified in Section 12 (Notice), and if no attorney is specified, then to such party directly. Escrow Holder shall forthwith deliver to the party entitled thereto the recorded originals of such instruments or documents upon Escrow Holder's receipt of the same.

8.14. Supplemental Taxes.

Buyer and the City acknowledge that the Property may be subject to supplemental taxes due as a result of change of ownership taking place through this Escrow. Any necessary adjustment due either party on receipt of a supplemental tax bill will be made by the parties outside of this Escrow and Escrow Holder is released of any liability in connection with same.

8.15. Possession.

Buyer hereby acknowledges that Seller is unable to deliver possession of the Property, and at the Close of Escrow, Buyer hereby agrees to take title to the Property subject to any existing or potential dispute(s) related to possession of the Property.

8.16. Failure to Close.

8.16.a If the Closing does not occur on or before the Closing Date by reason of a default, subject to a cure period detailed in section 8.16.c, then the non-defaulting party may elect to terminate this Agreement and cancel Escrow by giving written notice of such termination and cancellation to the other party and to Escrow Holder. In the event either party terminates this Agreement, neither party shall have any further obligations hereunder, other than those obligations that are specified to survive this Agreement (“Surviving Obligations”).

8.16.b [Intentionally omitted]

8.16.c To cure a default, the defaulting party will have 30 calendar days after notice of the default is provided to the Escrow Holder and the defaulting party. Escrow will be extended by 30 calendar days, or longer if by mutual agreement, to allow the defaulting party time to cure the default.

8.16.d If Escrow fails to close, all documents and other instruments will be returned to the party depositing the same into Escrow.

8.16.e Cost of Canceling Escrow. In the event neither party is in default, then the cost of cancellation of Escrow will be shared equally between Buyer and the City. In the event only one of the parties hereto is in default, then such defaulting party will pay for the entire cost of cancellation of Escrow. The termination of this

Agreement and cancellation of Escrow, as provided herein, shall be without prejudice to whatever legal rights, as said rights may be limited by the terms contained in this Agreement that Buyer or City may have against each other arising out of this Agreement and the Escrow.

Section 9. Representations, Warranties and Covenants of Buyer.

Buyer hereby represents, warrants and covenants to City as of the date of this Agreement, as follows:

- 9.1 Organization. Buyer is a California corporation duly organized, validly existing and in good standing under the laws of the State of California, with full power and authority to conduct its business as presently conducted and to execute, deliver and perform its obligations under this Agreement. Buyer is duly authorized to do business in the State of California.
- 9.2 No Conflict. The execution, delivery and performance of this Agreement by Buyer does not and will not materially conflict with, or constitute a material violation or material breach of, or constitute a default under (i) the charter or incorporation documents of Buyer, (ii) any applicable law, rule or regulation binding upon or applicable to Buyer, or (iii) any material agreements to which Buyer is a party.
- 9.3 No Litigation. Unless otherwise disclosed in writing to the City prior to the date of this Agreement, there is no existing or, to Buyer's actual knowledge, pending or threatened litigation, suit, action or proceeding before any court or administrative agency affecting Buyer or, to the best knowledge of Buyer, that would affect Buyer's ability to perform its obligations under this Agreement.
- 9.4 Enforceability. This Agreement and all documents required to be, and are, executed by Buyer, that are delivered to the City at the Closing, are intended to be legal, valid, and binding obligations of Buyer. Buyer represents and warrants that all executed documents do not and, at the time of Closing, will not violate any provisions of any agreement or judicial order to which Buyer is a party or to which the Buyer or the Property is subject. Buyer further represents and warrants that Buyer is duly authorized to enter into this Agreement and has readily-available funds to deposit into Escrow as Purchase Price on or prior to Closing.
- 9.5 Bankruptcy. No petition in bankruptcy, voluntary or otherwise, assignment for the benefit of creditors, or petition seeking reorganization or arrangement or other action under federal or state bankruptcy or insolvency laws is pending against or contemplated by Buyer.

Section 10. Representations, Warranties and Covenants of City.

The City hereby represents, warrants and covenants to Buyer as of the date of this Agreement, as follows:

- 10.1 Organization. The City is a municipal corporation, duly organized, and validly existing under the laws of the State of California;
- 10.2. Bankruptcy. No petition in bankruptcy (voluntary or otherwise), assignment for the benefit of creditors, or petition seeking reorganization or arrangement or other action under federal or state bankruptcy or insolvency laws is pending against the City;
- 10.3. Enforceability. This Agreement and all documents required to be, and are, executed by the City, that are delivered to Buyer at the Closing, are intended to be legal, valid, and binding obligations of the City. The City represents and warrants that all executed documents do not and, at the time of Closing, will not violate any provisions of any agreement or judicial order to which the City is a party or to which the City or the Property is subject.

Section 11. Condemnation.

If, prior to the Close of Escrow, a governmental agency commences or imminently threatens in writing to commence any eminent domain proceedings to take any material portion of the Property, Buyer and the City shall each have the unilateral right, exercisable by giving notice of such decision to the other party within thirty (30) days after receiving written notice of such actual or threatened condemnation proceedings, to terminate this Agreement, in which case the City and Buyer shall pay one-half (1/2) of the cost of cancellation of Escrow and neither party shall have any future rights or obligations under this Agreement, other than the Surviving Obligations. If neither party elects to terminate this Agreement, the Purchase Price will be determined (if not already fixed) as though such condemnation had not occurred, and the net proceeds of condemnation awards paid or payable to the City by reason of such condemnation of the Property shall be paid or assigned to the City upon the Close of Escrow.

Section 12. Notices

12.1. Notice of Buyer. Any notice or other communication required or permitted to be given under this Agreement ("Notices") shall be in writing and shall be (a) personally delivered; (b) delivered by a reputable overnight courier; or (c) delivered by certified mail, return receipt requested and deposited in the U.S. Mail, postage prepaid. Facsimile notices shall be deemed valid only to the extent they are (a) actually received by the individual to whom addressed and (b) followed by delivery of actual notice in the manner described above within three (3) business days thereafter. Notices shall be deemed received at the earlier of actual receipt (a) one (1) business day after deposit with an overnight courier as evidenced by a receipt of deposit; or (b) three (3) business days following deposit in the U.S. Mail, as evidenced by a return receipt. Notices shall be directed to the parties at their respective addresses shown below, or such other address as either party may, from time to time, specify in writing to the other in the manner described above:

If to Buyer:

[TO BE PROVIDED BY BUYER]

And: [TO BE PROVIDED BY BUYER]

If to City: City of Los Angeles
Economic and Workforce Development Department
1200 W. 7th St., 6th Floor
Los Angeles, CA 90017
Attn: Fred Jackson, Assistant General Manager
Fred.jackson@lacity.org

With copies to: City of Los Angeles
Office of the City Attorney
200 North Main Street, 9th Floor
Los Angeles, CA 90012
Attention: Grants, Finance and Development Division

City of Los Angeles
Economic and Workforce Development Department
1200 W. 7th St., 6th Floor
Los Angeles, CA 90017
Attn: Doug Kim, Senior Real Estate Officer
Doug.Kim@lacity.org

Section 13. Miscellaneous.

- 13.1 Agreement Expenses. The parties agree to bear their respective expenses, incurred or to be incurred in negotiating and preparing this Agreement and in carrying out the transactions contemplated by this Agreement.
- 13.2 Satisfaction or Waiver of Contingencies. The consummation of the Closing shall be conclusive evidence that the contingencies and conditions to Closing have been fully satisfied or waived.
- 13.3 Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and assigns.
- 13.4 Parties in Interest. Except as expressly provided in this Agreement, nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties to it and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor shall any provision give any third persons any right to subrogation or action over against any party to this Agreement.
- 13.5 Entire Agreement. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter contained in it and supersedes all prior or

contemporaneous oral or written agreements, representations, statements, documents, or understandings of the parties.

- 13.6 Amendment. No supplement, modification, or amendment of this Agreement shall be binding, unless all parties have executed an Amendment to this Agreement in writing.
- 13.7 Waiver. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless all parties have agreed to waive specific provisions of this Agreement in writing. Any failures or delays by any party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies, or deprive such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.
- 13.8 Timeliness. Buyer and the City hereby acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation and provision of this Agreement. Failure to timely perform any of the terms, conditions, obligations or provisions hereof by either party shall constitute a material, but curable breach. The cure period is governed by section 8.16.c under this Agreement.
- 13.9 Governing Law and Venue. This Agreement shall be construed in accordance with, and governed by, the laws of the State of California, and venue shall lie in the County of Los Angeles.
- 13.10 Effect of Headings. The headings of the paragraphs of this Agreement are Included for purposes of convenience only, and shall not affect the construction or interpretation of any of its provisions.
- 13.11 Invalidity. Any provision of this Agreement which is invalid, void, or illegal, shall not affect, impair, or invalidate any other provision of this Agreement, and such other provisions of this Agreement shall remain in full force and effect.
- 13.12 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.
- 13.13 Number and Gender. When required by the context of this Agreement, each number (singular and plural) shall include all numbers, and each gender shall include all genders.
- 13.14 Negotiated Terms. The parties agree that the terms and conditions of this Agreement are the result of negotiations between the parties and that this

Agreement shall not be construed in favor of or against any party by reason of the extent to which any party or its professionals participated in the preparation of this Agreement.

- 13.15 Recitals and Exhibits. The Recitals and Exhibits to this Agreement are incorporated herein by this reference and constitute a material part of this Agreement.
- 13.16 City Contract Formation. No agreement with respect to the purchase and sale of the Property shall exist, and this writing shall have no binding force or effect, until executed by both Buyer and City and after compliance with all contract formation formalities by the City of Los Angeles.
- 13.17 Severability. Any provision of this Agreement which is determined by a court of competent jurisdiction to be invalid or unenforceable shall be invalid or unenforceable only to the extent of such determination, which shall not invalidate or otherwise render ineffective any other provision of this Agreement.
- 13.18 Business Days. As used herein, “business days” shall mean any calendar day other than every Saturday, Sunday, and holiday celebrated by the City of Los Angeles by closing its normal administrative operations.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Purchase and Sale Agreement and Joint Escrow Instructions to be executed by themselves or by their respective duly authorized officers, as of the date of the Opening of Escrow.

BUYER:	<p>WICKS INVESTMENTS, INC</p> <p>By: _____ Name: _____ Title: _____ Date: _____</p>
CITY:	<p>City of Los Angeles, acting by and through its Economic and Workforce Development Dept.</p> <p>By: _____ CAROLYN HULL</p> <p>Its: General Manager</p> <p>Date: _____</p>
	<p>Approved as to form: HYDEE FELDSTEIN SOTO, City Attorney</p> <p>By: _____ Name: _____ Title: _____ Date: _____</p>
	<p>Attest: Holly L. Wolcott, City Clerk</p> <p>By: _____ Name: _____ Title: _____ Date: _____</p>

THE UNDERSIGNED ESCROW HOLDER
 ACKNOWLEDGES ITS RECEIPT OF
 ONE (1) EXECUTED COPY OF THIS
 AGREEMENT AND AGREES TO ACT IN ACCORDANCE
 THEREWITH

ESCROW HOLDER:

COMMONWEALTH LAND TITLE INSURANCE COMPANY

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT A

LEGAL DESCRIPTION OF LAND

[TO BE PROVIDED]

EXHIBIT B

RECORDING REQUESTED BY:

City of Los Angeles

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

Wicks Investments, Inc (address to be provided)

Grant Deed

THE UNDERSIGNED GRANTOR(s) DECLARE(s):

DOCUMENTARY TRANSFER TAX is \$_____. CITY TAX \$_____.

- Computed on full value of property conveyed, or Computed on full value less value of liens or encumbrances remaining at time of sale,
- Unincorporated area: City of _____, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, City of Los Angeles, a municipal corporation

hereby GRANT(s) to

Wicks Investments, Inc, a California Corporation [VESTING INFORMATION TO BE ADDED DURING ESCROW]

That certain real property having an Assessor's Parcel Number (APN) of 5005-031-900, in the City of Los Angeles, with an address of 5510 South Manhattan Place, Los Angeles, California 90062 .

SEE EXHIBIT "A" FOR LEGAL DESCRIPTION

Reservations.

The Property is subject to the following exceptions, reservations, covenants and conditions:

(a) Excepting and reserving unto the City of Los Angeles, all oil, gas, water and mineral rights now vested in the City of Los Angeles without, however, the right to use the surface of said land or any portion thereof to a depth of 500 feet below the surface, for the extraction of such oil, gas, water and minerals.

(b) Subject to covenants, conditions, restrictions, encroachments, reservations, easements, rights and rights-of-way of record or which are apparent from a visual inspection of the real property and excepting and reserving to the City of Los Angeles any interest in the fee to the adjacent streets which would otherwise pass with the conveyance of the above-described parcels of land.

ALSO, SUBJECT to property sold in an "As is and with all faults" condition, the purchaser purchasing the City owned property by such act, expressly agreeing to purchase the property in an "As is and with all faults" condition without any warranty as to fitness for use, fitness for a particular use or development, or condition of the property, and that the City has no obligation to improve or correct any condition of the property, whether known or unknown before or after the date of the sale of the property as its potential use or future development.

Mandatory Language in All Subsequent Deeds, Leases and Contracts.

(a) Grantee covenants and agrees, for itself and its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, religion, creed, national origin, ancestry, disability (actual or perceived), medical condition, age, source of income, familial status, marital status, domestic partner status, sex, sexual preference/orientation, Acquired Immune Deficiency Syndrome (AIDS) – acquired or perceived, or any additional basis listed in subdivision (a) and (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code, as such provisions may be amended from time to time, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall the Grantee or any person claiming under or through the Grantee, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the property herein conveyed. The foregoing covenant shall run with the land.

(b) Notwithstanding paragraph (a), with respect to familial status, paragraph (a) shall not be construed to apply to housing older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivision (n), (o) and (p) of Section 12955 of the Government Code shall apply to paragraph (a).

(c) All deeds, leases or contracts made or entered into by the Grantee, its successors or assigns, as to any portion of the Property shall contain therein the following language:

(1) In Deeds:

(A) “Grantee herein covenants by and for itself, its successors and assigns that there shall be no discrimination against or segregation of a person or of a group of persons on account of race, color, religion, creed, national origin, ancestry, disability (actual or perceived), medical condition, age, source of income, familial status, marital status, domestic partner status, sex, sexual preference/orientation, Acquired Immune Deficiency Syndrome (AIDS) – acquired or perceived, or any additional basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, as such provisions may be amended from time to time, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property herein conveyed nor shall the grantee or any person claiming under or through the grantee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, vendees, or employees in the Property herein conveyed. The foregoing covenant shall run with the land.”

(B) Notwithstanding paragraph (A), with respect to familial status, paragraph (A) shall not be construed to apply to housing older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivision (n), (o) and (p) of Section 12955 of the Government Code shall apply to paragraph (A).

(2) In Leases:

(A) “Lessee herein covenants by and for itself, its heirs, personal representatives, successors and assigns, and all persons claiming under or through the lessee, that this lease is made subject to the condition there shall be no discrimination against or segregation of any person or group of persons on account of race, color, religion, creed, national origin, ancestry, disability (actual or perceived), medical condition, age, source of income, familial status, marital status, domestic partner status, sex, sexual preference/orientation, Acquired Immune Deficiency Syndrome (AIDS) –

acquired or perceived, or any additional basis listed in subdivision (a) and (b) of Section 12955 of the Government Code, as those basis are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, as such provision may be amended from time to time, in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the land herein leased nor shall the lessee or any person claiming under or through the lessee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, vendees, or employees in the land herein leased.”

(B) Notwithstanding paragraph (A), with respect to familial status, paragraph (A) shall not be construed to apply to housing older persons, as defined in Section 12955.9 of the Government Code.

With respect to familial status, nothing in paragraph (A) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivision (n), (o) and (p) of Section 12955 of the Government Code shall apply to paragraph (A).

(3) In Contracts with respect to the sale, lease, sublease, transfer, use occupancy, tenure or enjoyment of the Property:

(A) “There shall be no discrimination against or segregation of any person or group of persons on account of race, color, religion, creed, national origin, ancestry, disability (actual and perceived), medical condition, age, source of income, familial status, marital status, domestic partner status, sex, sexual preference/orientation, Acquired Immune Deficiency Syndrome (AIDS) – acquired or perceived, or any additional basis listed in subdivision (a) and (b) of Section 12955 of the Government Code, as those basis are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, as such provisions may be amended from time to time, in the sale, leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the land herein leased nor shall the transferee or any person claiming under or through the transferee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, vendees, or employees in the land herein leased.”

(B) Notwithstanding paragraph (A), with respect to familial status, paragraph (A) shall not be construed to apply to housing older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (A) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivision (n), (o) and (p) of Section 12955 of the Government Code shall apply to paragraph (A).

The anti-discrimination covenants set forth above are perpetual in nature and shall survive the termination of any of the documents and covenants referenced in this Grant Deed. Grantor, in the event of any breach of any such covenants, shall have the right to exercise all of the rights and remedies, and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach. The covenants contained in this Grant Deed shall be for the benefit of and shall be enforceable only by the Grantor, its successors and assigns.

This Grant Deed is made in accordance with the provisions of Council File No. 10-1068 and Ordinance No. of the City of Los Angeles

In witness whereof, City of Los Angeles, a municipal corporation, by its City Council, has caused this Grant Deed to be executed on its behalf, by its Mayor, and its corporate seal to be there to affixed by its City Clerk, this _____ day of _____, 2023

The City of Los Angeles, a municipal corporation

By: _____

Attest:
Holly L. Wolcott, City Clerk

Karen Bass, Mayor

By: _____

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)

The City of Los Angeles

JOB TITLE: 5510 S. Manhattan Place
Los Angeles, California 90062
APN: 5005-031-900
Cadastral Map No.

To

Wicks Investments, Inc

Grant Deed

Approved as to Authority _____, 2023

By _____
Carolyn Hull, Authorized Officer

Approved as to description _____, 2023

By _____
Luisito N. Padua, Authorized Officer

Economic and Workforce Development Dept.
Economic Development Division

Approved _____, 2023

Hydee Feldstein Soto, City Attorney

By _____
Neil Reizman, Deputy City Attorney

10-1068

Council File No.

EXHIBIT C

RECORDING REQUESTED BY:

City of Los Angeles

WHEN RECORDED MAIL TO

AND MAIL TAX STATEMENTS TO:

Wicks Investments, Inc (address to be provided)

Grant Deed

THE UNDERSIGNED GRANTOR(S) DECLARE(S):

DOCUMENTARY TRANSFER TAX is \$_____. CITY TAX \$_____.

- Computed on full value of property conveyed, or Computed on full value less value of liens or encumbrances remaining at time of sale,
 Unincorporated area: City of _____, and

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

Angeles, a municipal corporation

hereby GRANT(s) to

Wicks Investments, Inc, a California Corporation [VESTING INFORMATION TO BE ADDED DURING ESCROW]

That certain real property having an Assessor's Parcel Number (APN) of 6148-021-270, outside the City of Los Angeles, with an address of 12243 Blakley Avenue, Los Angeles, California 90059 (**Property**), more fully described in **Exhibit A** ("Land"); ("Property").

SEE EXHIBIT "A" FOR LEGAL DESCRIPTION

Reservations.

The Property is subject to the following exceptions, reservations, covenants and conditions:

(b) Excepting and reserving unto the City of Los Angeles, all oil, gas, water and mineral rights now vested in the City of Los Angeles without, however, the right to use the surface of said land or any portion thereof to a depth of 500 feet below the surface, for the extraction of such oil, gas, water and minerals.

(b) Subject to covenants, conditions, restrictions, encroachments, reservations, easements, rights and rights-of-way of record or which are apparent from a visual inspection of the real property and excepting and reserving to the City of Los Angeles any interest in the fee to the adjacent streets which would otherwise pass with the conveyance of the above-described parcels of land..

ALSO, SUBJECT to property sold in an "As is and with all faults" condition, the purchaser purchasing the City owned property by such act, expressly agreeing to purchase the property in an "As is and with all faults" condition without any warranty as to fitness for use, fitness for a particular use or development, or condition of the property, and that the City has no obligation to improve or correct any condition of the property, whether known or unknown before or after the date of the sale of the property as its potential use or future development.

Mandatory Language in All Subsequent Deeds, Leases and Contracts.

(a) Grantee covenants and agrees, for itself and its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, religion, creed, national origin, ancestry, disability (actual or perceived), medical condition, age, source of income, familial status, marital status, domestic partner status, sex, sexual preference/orientation, Acquired Immune Deficiency Syndrome (AIDS) – acquired or perceived, or any additional basis listed in subdivision (a) and (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code, as such provisions may be amended from time to time, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall the Grantee or any person claiming under or through the Grantee, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the property herein conveyed. The foregoing covenant shall run with the land.

(b) Notwithstanding paragraph (a), with respect to familial status, paragraph (a) shall not be construed to apply to housing older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivision (n), (o) and (p) of Section 12955 of the Government Code shall apply to paragraph (a).

(c) All deeds, leases or contracts made or entered into by the Grantee, its successors or assigns, as to any portion of the Property shall contain therein the following language:

(1) In Deeds:

(A) “Grantee herein covenants by and for itself, its successors and assigns that there shall be no discrimination against or segregation of a person or of a group of persons on account of race, color, religion, creed, national origin, ancestry, disability (actual or perceived), medical condition, age, source of income, familial status, marital status, domestic partner status, sex, sexual preference/orientation, Acquired Immune Deficiency Syndrome (AIDS) – acquired or perceived, or any additional basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, as such provisions may be amended from time to time, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property herein conveyed nor shall the grantee or any person claiming under or through the grantee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, vendees, or employees in the Property herein conveyed. The foregoing covenant shall run with the land.”

(B) Notwithstanding paragraph (A), with respect to familial status, paragraph (A) shall not be construed to apply to housing older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivision (n), (o) and (p) of Section 12955 of the Government Code shall apply to paragraph (A).

(2) In Leases:

(A) “Lessee herein covenants by and for itself, its heirs, personal representatives, successors and assigns, and all persons claiming under or through the lessee, that this lease is made subject to the condition there shall be no discrimination against or segregation of any person or group of persons on account of race, color, religion, creed, national origin, ancestry, disability (actual or perceived), medical condition, age, source of income, familial status, marital status, domestic partner

status, sex, sexual preference/orientation, Acquired Immune Deficiency Syndrome (AIDS) – acquired or perceived, or any additional basis listed in subdivision (a) and (b) of Section 12955 of the Government Code, as those basis are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, as such provision may be amended from time to time, in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the land herein leased nor shall the lessee or any person claiming under or through the lessee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, vendees, or employees in the land herein leased.”

(B) Notwithstanding paragraph (A), with respect to familial status, paragraph (A) shall not be construed to apply to housing older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (A) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivision (n), (o) and (p) of Section 12955 of the Government Code shall apply to paragraph (A).

(3) In Contracts with respect to the sale, lease, sublease, transfer, use occupancy, tenure or enjoyment of the Property:

(A) “There shall be no discrimination against or segregation of any person or group of persons on account of race, color, religion, creed, national origin, ancestry, disability (actual and perceived), medical condition, age, source of income, familial status, marital status, domestic partner status, sex, sexual preference/orientation, Acquired Immune Deficiency Syndrome (AIDS) – acquired or perceived, or any additional basis listed in subdivision (a) and (b) of Section 12955 of the Government Code, as those basis are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, as such provisions may be amended from time to time, in the sale, leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the land herein leased nor shall the transferee or any person claiming under or through the transferee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, vendees, or employees in the land herein leased.”

(B) Notwithstanding paragraph (A), with respect to familial status, paragraph (A) shall not be construed to apply to housing older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (A) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivision (n), (o) and (p) of Section 12955 of the Government Code shall apply to paragraph (A).

The anti-discrimination covenants set forth above are perpetual in nature and shall survive the termination of any of the documents and covenants referenced in this Grant Deed. Grantor, in the event of any breach of any such covenants, shall have the right to exercise all of the rights and remedies, and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach. The covenants contained in this Grant Deed shall be for the benefit of and shall be enforceable only by the Grantor, its successors and assigns.

This Grant Deed is made in accordance with the provisions of Council File No. 10-1068 and Ordinance No. of the City of Los Angeles

In witness whereof, City of Los Angeles, a municipal corporation, by its City Council, has caused this Grant Deed to be executed on its behalf, by its Mayor, and its corporate seal to be there to affixed by its City Clerk, this

_____ day of _____, 2023

The City of Los Angeles, a municipal corporation

By: _____

Attest:

Holly L. Wolcott, City Clerk

Karen Bass, Mayor

By: _____

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)

The City of Los Angeles

JOB TITLE: 12243 Blakley Ave.
Los Angeles, California 90059
APN: 6148-021-270
Cadastral Map No.

To

Wicks Investments, Inc

Grant Deed

Approved as to Authority _____, 2023

By _____
Carolyn Hull, Authorized Officer

Approved as to description _____, 2023

By _____
Luisito N. Padua, Authorized Officer

**Economic and Workforce Development Dept.
Economic Development Division**

Approved _____, 2023

Hydee Feldstein Soto, City Attorney

By _____
Neil Reizman, Deputy City Attorney

10-1068

Council File No.

CERTIFICATE OF ACCEPTANCE TO BE ATTACHED TO DEED BY BUYER