

**CITY COUNCIL RESOLUTION NO. 7837**  
**SUCCESSOR AGENCY RESOLUTION NO. 34**

**CITY OF SOUTH GATE**  
**LOS ANGELES COUNTY, CALIFORNIA**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE, CALIFORNIA, AND THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SOUTH GATE APPROVING THE PURCHASE AND SALE AGREEMENT BY WHICH THE SUCCESSOR AGENCY WILL SELL CERTAIN PROPERTY LOCATED AT 7916 LONG BEACH BOULEVARD (APNS 6202-010-900 and 6202-010-901), SOUTH GATE, CALIFORNIA, TO GRADUATES DO SUCCEED, INC., A CALIFORNIA CORPORATION DBA GDS INSTITUTE IN ACCORDANCE WITH THE DEPARTMENT OF FINANCE-APPROVED LONG RANGE PROPERTY MANAGEMENT PLAN AND THE DISSOLUTION LAW**

**WHEREAS**, the Community Development Commission of the City of South Gate (“former Agency”) was a public body, corporate and politic, formed, organized, existing and exercising its powers pursuant to Section 34100, *et seq.*, of the California Health and Safety Code, and exercised the powers, authority, functions, jurisdiction of a community redevelopment agency formed, organized, existing and exercising its powers pursuant to the California Community Redevelopment Law, Health and Safety Code, Section 33000, *et seq.*, and specifically formed by the City Council (“City Council”) of the City of South Gate (“City”); and

**WHEREAS**, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code, which caused the dissolution of all redevelopment agencies and wind down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 and by other subsequent legislation (together, as amended, the “Dissolution Law”); and

**WHEREAS**, as of February 1, 2012, the former Agency was dissolved under the Dissolution Law, and as a separate public entity, corporate and politic, the Successor Agency to the Community Development Commission of the City of South Gate (“Successor Agency”) administers the enforceable obligations of the former Agency and otherwise unwinds the former Agency’s affairs, all subject to the review and approval by a seven-member Oversight Board; and

**WHEREAS**, Section 34179 provides that the Oversight Board has fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of Part 1.85 of the Dissolution Law; and

**WHEREAS**, all statutory references in this Resolution are to the California Health and Safety Code unless otherwise stated; and

**WHEREAS**, Section 34191.5(b) requires the Successor Agency to prepare a “long-range property management plan” (also referred to herein as the “LRPMP”) addressing the future

disposition and use of all real properties of the Former Agency no later than six months following the DOF's issuance to the Successor Agency of a finding of completion under Section 34179.7; and

**WHEREAS**, the Successor Agency received a Finding of Completion, and thereafter timely prepared its LRPMP, which LRPMP was approved by the local Oversight Board and then by the DOF in a decision letter issued and dated as of December 22, 2015; and

**WHEREAS**, the Successor Agency has negotiated the terms of a Purchase and Sale Agreement ("Agreement") with the Graduates Do Succeed, Inc., a California corporation dba GDS Institute ("Purchaser") related to the disposition of certain real property with approximately 5,850 square feet of building improvements on 17,896 square feet of land with a common address of 7916 Long Beach Boulevard, South Gate, California, and identified as APNs 6202-010-900 and 6202-010-901 as listed on the LRPMP as Property No. 13 ("Property"); and

**WHEREAS**, the Agreement calls for the Successor Agency to sell the Property to the Purchaser in its present condition, for the fair market value of the Property with the proceeds of sale to be distributed to the taxing entities under Section 34191.5(c)(2)(B); and

**WHEREAS**, the purchase price for the Property under the Agreement is \$325,000, which is not less than the fair market value of the Property; and

**WHEREAS**, the Successor Agency considered and by this Resolution desires to approve the Agreement and direct staff that the Agreement be submitted to the County of Los Angeles, First District Oversight Board ("Oversight Board") for its review, consideration and approval; and

**WHEREAS**, the sale of the Property to the Purchaser under the Agreement complies with Dissolution Law and is in the best interests of the taxing entities;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH GATE AND SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SOUTH GATE DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The foregoing recitals are true and correct and constitute a substantive part of this Resolution.

**SECTION 2.** The City Council and Successor Agency each hereby approve the sale of the Property and approve the Agreement in substantially the form attached hereto as Attachment No. 1, which is fully incorporated by this reference. The City Clerk/Successor Agency Recording Secretary is authorized to execute and attest the Agreement with such revisions as the Executive Director and Successor Agency legal counsel deem appropriate. The Executive Director and his authorized designees are authorized to take such actions as may be necessary or appropriate to implement the Agreement, including executing further instruments and agreements, issuing warrants, and taking other appropriate actions to perform the obligations and exercise the rights of the Successor Agency under the Agreement. A copy of the Agreement when fully executed and approved by the Oversight Board shall be placed on file in the office of the City Clerk/Successor Agency Recording Secretary.

**SECTION 3.** The City Manager/Successor Agency Executive Director, or his designee, is hereby directed to transmit this Resolution and the Agreement to the Oversight Board under the Dissolution Law.

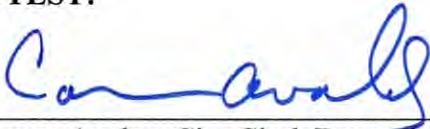
**SECTION 4.** The City Clerk/Successor Agency Recording Secretary shall certify to the adoption of this Resolution which shall be effective upon its adoption.

**PASSED, APPROVED, and ADOPTED** this 11th day of **December 2018**.



\_\_\_\_\_  
María Belén Bernal, Chairperson  
Successor Agency to the Community Development  
Commission of the City of South Gate

**ATTEST:**



\_\_\_\_\_  
Carmen Avalos, City Clerk/Recording Secretary  
(SEAL)

**APPROVED AS TO FORM:**



\_\_\_\_\_  
Raul F. Salinas, City Attorney/General Counsel  
Successor Agency to the Community Development  
Commission of the City of South Gate

**PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS**  
**APNs 6202-010-900 and 6202-010-901**  
**(7916 Long Beach Boulevard - PMP Property No. 13)**

This PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (“PSA”), dated for reference purposes only as of December 11, 2018, by and between the Successor Agency to the Community Development Commission of the City of South Gate (“Successor Agency” or “Seller”), and Graduates Do Succeed, Inc., a California corporation dba GDS Institute (“Purchaser”). Seller and Purchaser are referred to herein individually as a “Party” and collectively as the “Parties.”

**RECITALS**

A. Seller is the fee owner of approximately 5,850 square feet of building improvements on 17,896 square feet of land commonly known as **7916 Long Beach Boulevard, South Gate, Los Angeles County, California**, described as **Assessor’s Parcel Number’s 6202-010-900 and 6202-010-901**, identified as **Property No. 13 in the in the Successor Agency’s Amended Long Range Property Management Plan (“PMP”)**, and being more particularly described in the Legal Description attached hereto as Exhibit A, attached hereto and incorporated herein, including all permanent improvements located thereon, all building electrical distribution systems, telephone distribution systems, heating, ventilating and air conditioning equipment (“HVAC”), carpets, window coverings and wall coverings, if any, owned by Seller and presently located thereon (collectively, the “Property”).

B. In December 2011, a California State Supreme Court ruling on the constitutional validity of two 2011 legislative budget trailer bills, Assembly Bill (“AB”) 1X 26 (Chapter 5, Statutes of 2011) and AB1X 27 (Chapter 6, Statutes of 2011), resulted in the outright elimination of all 425 redevelopment agencies in the State of California. The dissolution procedures under AB1X 26 include a process for the disposition and/or transfer of assets, including property holdings of former redevelopment agencies. Subsequent legislation, AB 1484 (Chapter 26, Statutes of 2012), which was passed, signed, and enacted on June 28, 2012, made significant changes to the provisions of AB1X 26, including the process for asset management/disposition/transfers. Senate Bill (“SB”) 107, which was signed by the Governor on September 22, 2015 also made changes to the property disposition provisions of AB1X 26 and AB 1484. All three pieces of legislation are herein referred to as the Dissolution Act.

C. Under the Dissolution Act, the Property is subject to the disposition process requiring the State Department of Finance (“DOF”) to approve a PMP prepared by the Successor Agency describing the proposed sale of properties owned by the Successor Agency, including the Property. The PMP was approved by DOF on December 22, 2015.

D. Purchaser currently occupies and uses the Property as a month-to-month tenant pursuant to the terms and conditions of that certain letter agreement dated August \_\_, 2012 (the “2012 Letter Agreement”), that allows Purchaser to continue its occupancy and use of the Property on a month-to-month basis on the same terms and conditions of that certain expired Commercial Lease Agreement dated August 26, 2002 (“Original Lease”), as amended by that certain Letter

dated May 11, 2007 ("Extension Letter"; the Original Lease and the Extension Letter are collectively referred to as the "Lease").

E. Purchaser currently occupies and uses the Property to provide affordable, high quality career and technical education in Business, Health and Nursing and Automotive Technology for students living in the City of South Gate (the "City") and the surrounding southeast Los Angeles County cities who face multiple barriers to employment (the "Program").

F. Purchaser is committed to continuing the Program through its purchase of the Property and will make substantial improvements thereto with the goal of establishing a stable and permanent home for the betterment of the Program.

G. Seller acknowledges the Program is an important and needed resource available to the residents of the City and provides a significant community benefit and, for these and other reasons, desires to sell the Property to Purchaser, subject to the terms set forth below.

### TERMS & CONDITIONS

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, Seller and Purchaser agree as follows:

1. **Sale.** On the terms contained herein and subject to the conditions of this PSA, Purchaser hereby agrees to purchase from Seller, and Seller agrees to sell to Purchaser the Property, on the Closing Date (as defined in Section 12).

2. **Acceptance.** Within three (3) Business Days from Oversight Board approval, Seller shall accept and execute this PSA ("Acceptance"). The PSA shall be deemed accepted upon approval by the Oversight Board and full execution by the Seller and Purchaser.

3. **Opening of Escrow.** Within three (3) Business Days of Acceptance, the parties shall open an escrow ("Escrow") with Escrow Holder by causing an executed copy of this PSA to be deposited with Phyllis Chambers, Escrow Officer, FIRST AMERICAN TITLE INSURANCE COMPANY, 777 South Figueroa Street, Los Angeles, California 90017, Telephone: (213) 271-1720, Fax: (714) 361-3595, Email: pchambers@firstam.com ("Escrow Holder"). Escrow shall be deemed open on the date that a fully executed copy of this PSA is delivered to Escrow Holder and accepted by Escrow Holder as evidenced by Escrow Holder's execution of this PSA ("Opening of Escrow").

4. **Purchase Price.** The purchase price for the Property ("Purchase Price") shall be in the amount of THREE HUNDRED TWENTY-FIVE THOUSAND AND 00/100 DOLLARS (\$325,000.00), which the Seller and Purchaser agree to be the fair market value of the Property. The Purchase Price shall be paid as follows:

4.1 **Deposit.** Upon receipt by Purchaser of a signed copy of this PSA from Seller, and acceptance of the terms and execution of this PSA by Purchaser, Purchaser shall, within five (5) Business Days thereafter, deposit the sum of TWENTY THOUSAND AND 00/100 DOLLARS (\$20,000.00) ("Deposit") with the Escrow Holder, to be held in escrow for the benefit

of the parties and applied against the Purchase Price at Closing (as defined in Section 12) or refunded or forfeited in accordance with the terms of this PSA.

The Deposit shall be held by Escrow Holder in an interest-bearing account and any interest earned and accrued on the Deposit shall become part of the Deposit. The Deposit shall be fully refundable to Purchaser on or before the expiration of the Contingency Period without need for further instruction or approval of the Parties. In the event Purchaser expressly waives contingencies in writing and elects to continue and does not terminate this PSA on or prior to the expiration of the Contingency Period, the Deposit shall become immediately non-refundable and held in Escrow, except in the event of a Seller default, a failure of a condition precedent in favor of Purchaser (other than contingency items required to be approved during the Contingency Period), or as otherwise specifically set forth in this PSA, but in all events the Deposit shall be applicable to the Purchase Price. If the purchase and sale of the Property is not consummated because of a default under this PSA on the part of Purchaser after the expiration of the Contingency Period, the Escrow Holder shall disburse the Deposit to Seller as liquidated damages pursuant to Section 10.1 below.

4.2 Cash at Closing. Upon the Escrow Holder's receipt of all Closing Items (as defined in Section 5), Purchaser shall deposit with the Escrow Holder, in cash, by certified check or by wire transfer of immediately available funds the balance of the Purchase Price, less the Deposit, plus or minus closing pro-rations, adjustments, and costs related to the Closing. The Purchase Price shall be disbursed to Seller by the Escrow Holder upon confirmation of the recordation of the Deed (as defined in Section 5.1.1) in the Official Records of Los Angeles County.

## 5. **Closing Deliveries to Escrow Holder.**

5.1 By Seller. Seller hereby covenants and agrees to deliver or cause to be delivered to Escrow Holder on or before 1:00 pm one (1) Business Day prior to the Closing Date the following instruments and documents, the delivery of each of which shall be a condition precedent to the Closing for the benefit of Purchaser.

5.1.1 Deed. An executed grant deed in the form attached hereto as Exhibit B ("Deed").

5.1.2 Non-Foreign Certification. Seller shall deliver to Escrow Holder a certification duly executed by Seller under penalty of perjury in the form of, and upon the terms set forth in, the Transferor's Certification of Non-Foreign Status ("FIRPTA Certificate"), setting forth Seller's address and federal tax identification number and certifying that Seller is a "United States Person" and that Seller is not a "foreign person" in accordance with and/or for the purpose of the provisions of Sections 7701 and 1445 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder.

5.1.3 Closing Statement. An executed settlement statement reflecting the pro-rations and adjustments required under Section 10.

5.1.4 Closing Documents. Any additional tax forms, recordation forms, 1099s or other documents as may be reasonably required by the Escrow Holder or the Title Company to consummate the transaction contemplated by this PSA.

5.1.5 Cash Prorations. The amount, if any, required of Seller under Section 10.

5.2 By Purchaser. Purchaser hereby covenants and agrees to deliver or cause to be delivered to Escrow Holder on or before 1:00 pm one (1) Business Day prior to the Closing Date the following instruments and documents, the delivery of each of which shall be a condition precedent to the Closing for the benefit of Seller.

5.2.1 Purchase Price. Purchaser shall deliver to Escrow Holder the Purchase Price in accordance with Section 4.

5.2.2 Preliminary Change of Ownership Report. Purchaser shall deliver to Escrow Holder a Preliminary Change of Ownership Report completed in the manner required in Los Angeles County.

5.3 Additional Closing Items. Each party shall also execute and deliver to the Escrow Holder such documents, certificates and instruments as may customarily be required in transactions of this type. The items required to be submitted to the Escrow Holder pursuant to this Section and Sections 5.1 and 5.2 are referred to herein collectively as the "Closing Items."

6. **Title**. As evidence of title, within five (5) Business Days of the Opening of Escrow, or as soon thereafter as is reasonably practical, Seller shall cause to be delivered to the Purchaser a commitment for an owner's policy of title insurance with standard exceptions ("Title Insurance Commitment") issued by FIRST AMERICAN TITLE INSURANCE COMPANY (Liz Thymius, Title Officer, 777 South Figueroa Street, Los Angeles, California 90017, Telephone: (213) 271-1744, Fax: (714) 689-5114, Email: lthymius@firstam.com ("Title Company"), in the amount of the Purchase Price (or such amount as required by Purchaser), dated later than the Opening of Escrow, and guaranteeing the title in the condition required for performance of this PSA, together with copies of all documents shown in the commitment as affecting title ("Title Documents") and a scaled and dimensioned plot showing the location of any easements on the Property. At Closing, Seller shall pay the premium for a CLTA standard coverage owner's policy.

Purchaser shall have fifteen (15) calendar days from receipt of the Title Insurance Commitment and Title Documents to inspect the state of the title and matters affecting title, and to object to the matters shown thereby. Failure to object in writing within the above period shall constitute a waiver of Purchaser's objections to title. If Purchaser objects to any matter disclosed by the Title Insurance Commitment or Title Documents, then Seller shall have fifteen (15) Business Days from the date it is notified in writing of the particular defects claimed, to elect, in its sole discretion, either: (1) to remedy the title defect that is the subject of the Purchaser's objection, or (2) not remedy the title defect that is the subject of the Purchaser's objection, at Seller's option: Seller's election shall be communicated in writing to Purchaser. If Seller elects not to remedy such title defect, then Purchaser shall have two (2) Business Days following receipt of Seller's notification under the preceding sentence to elect to either (x) waive its title objection

and accept title subject to the alleged title defect, or (y) terminate this PSA and receive a refund of the Deposit.

Seller may cure any title objection that may be cured by the payment of a sum certain (such as existing mortgages, land contracts and other liens) by paying or depositing that sum at Closing.

Notwithstanding the foregoing, Purchaser hereby objects to all liens evidencing monetary encumbrances (other than liens for non-delinquent general real property taxes to be paid by Purchaser under this PSA) and Seller agrees to cause all such liens to be eliminated at Seller's sole cost (including all prepayment penalties and charges) prior to the Closing Date. At the Closing, Seller will provide the Title Company with a commercially reasonable owner's affidavit, which will include a representation by the Seller (if accurate as of the Closing) that will allow the Title Company to issue an endorsement to Purchaser's title policy against potential mechanic's and materialmen's liens; provided, however that if such representation is not accurate, Seller will work with the Title Company to provide alternative assurances to allow the Title Company to issue to Purchaser such lien endorsement at the Closing.

Notwithstanding anything to the contrary contained in this PSA, if, at any time prior to the Closing, any updates to the Title Insurance Commitment are received by Purchaser, Purchaser shall have ten (10) Business Days (regardless of the date) following Purchaser's receipt of such update and legible copies of all underlying documents referenced therein (that were not referenced in the Title Documents previously provided to Purchaser) to notify Seller of objections to items on any such updates ("Title Updates"). Purchaser, at its sole election and additional cost, may hire a land surveyor for the purpose of preparing an ALTA survey for the Property (the "Survey"). Notwithstanding the foregoing, Purchaser shall have ten (10) Business Days after receipt of the Survey to object to any matters of survey in writing to Seller, in which event the procedure set forth in this Section shall apply to such Survey objections.

7. **Possession.** Purchaser acknowledges that (a) Purchaser currently occupies and uses the Property as a month-to-month tenant under the terms of the 2012 Letter Agreement following the expiration of the Lease and (b) if this PSA is terminated pursuant to the terms hereof, Purchaser's right to continued occupancy and use of the Property following such termination will continue to be governed by the terms of the Letter Agreement.

8. **Seller's Conditions to Closing.** Seller's obligation to sell the Property to Purchaser shall be subject to and expressly conditioned upon satisfaction (or waiver) of the following conditions precedent to the Closing set forth in Sections 8.1 through 8.2, which shall be exclusively for the sole benefit of Seller.

8.1 Financial Information. This is an all cash purchase. Purchaser's offer and agreement to purchase the Property is not contingent on obtaining any third party financing or loan. Purchaser shall provide Seller with written verification of sufficient funds to close this transaction within five (5) calendar days after Acceptance.

8.2 Schedule of Performance. Buyer's completion of the improvements to the property described in Exhibit C to the reasonable satisfaction of Seller in accordance with the



Schedule of Performance attached hereto as Exhibit D as the same may be extended as contemplated by Section 9.5 below.

**9. Purchaser's Contingencies, Contingency Period, Survey and Development Approvals.** Within fifteen (15) Business Days following the Opening of Escrow (the "Contingency Period"), Purchaser shall have the right to perform and to seek any and all necessary investigations, inspections and approvals necessary to develop and operate the Project at the Property, as described in Sections 9.1, 9.2, and 9.3:

9.1 Review and Approval of Documents and Materials. Within five (5) Business Days of the Opening of Escrow, Seller shall deliver (or caused to be delivered) to Purchaser any and all documents, reports, surveys, environmental assessments, engineering reports, building plans and blueprints for the Property and other materials in Seller's possession or under its control or that of its agents, respecting the Property, including any Hazardous Substance Conditions Report concerning the Property and relevant adjoining properties, any Natural Hazard Zone Disclosure Report, and any lease agreements relating to any tenant or occupant then occupying the Property (collectively, "Materials"). During the Contingency Period, Purchaser may review and evaluate the Materials to determine whether the Property is appropriate for Purchaser's proposed use, in its sole discretion.

9.2 Purchaser's Due Diligence & Survey. During the Contingency Period, the Purchaser and its agents may, at the Purchaser's sole expense, conduct tests and physical inspections of the property, including building inspections and environmental site assessments desired by the Purchaser. Purchaser shall also conduct such investigations with regard to zoning, building codes, and availability of permits and approvals for its intended construction and use of the Property, as it deems prudent in its sole discretion. Purchaser shall restore the Property to the condition that it was in prior to those tests and inspections and shall indemnify, defend and hold Seller harmless from all damages, costs, loss, expense (including attorney fees) and liability resulting from Purchaser's activities, acts and omissions on the Property.

Notwithstanding anything to the contrary contained in this PSA, (i) the defense, indemnity and hold harmless provision contained in this Section shall not apply to the extent such liabilities arise in connection with the negligence or willful misconduct of Seller, its employees, agents, contractors, licensees or invitees and (ii) provided further that Purchaser shall have no liability to Seller or to its employees, agents or contractors by reason of, nor shall Purchaser have any duty to indemnify, defend or hold any person or entity harmless from or against, any liabilities, including, without limitation, any claim for diminution in value of the Property or for environmental remediation or clean-up costs, resulting directly from Purchaser having merely discovered and/or reported (to the extent required by applicable law) any adverse physical condition, title condition, environmental condition or other defect with respect to the Property. The foregoing provisions shall survive the Closing or any termination of this PSA. Purchaser shall notify Seller in advance of its desire to conduct any inspections at the Property to give Seller adequate opportunity to make reasonable arrangements with the tenant in possession (if any). During the Contingency Period, Purchaser shall have the right, but not the obligation, to cause a Survey of the Property at its own expense. The Survey report shall also: (1) be certified to Purchaser and (2) be prepared and sealed by a registered California Property Surveyor. Copies of any final non-privileged, non-attorney-client work product reports and/or surveys prepared

pursuant to this PSA shall be delivered to Seller. Purchaser shall not be liable for reports/Survey and said reports/Survey are provided to the Seller for reference purposes only.

9.3 Purchaser's Objections. Purchaser shall have the right at any time on or before the expiration of the Contingency Period to terminate this PSA if, during the course of Purchaser's due diligence investigations of the Property and in connection with its obtaining of the Approvals, Purchaser determines in its sole and absolute discretion that the Property is not acceptable to Purchaser.

9.4 Termination Notice. Purchaser may exercise Purchaser's termination rights pursuant to Section 9.3 by delivering written notice of termination to Seller and Escrow Agent (a "Termination Notice") on or before the expiration of the Contingency Period. Upon the timely delivery of such Termination Notice, (i) Escrow Agent shall immediately return the Deposit to Purchaser without the need for further instruction or approval of the parties, and (ii) this PSA shall automatically terminate and be of no further force or effect and neither party shall have any further rights or obligations hereunder, except for those obligations that expressly survive the termination of this PSA. Without limiting the foregoing, Purchaser acknowledges and agrees that Seller shall have no obligation, in law or at equity, to reimburse Purchaser for the cost of any improvements made by Purchaser to the Property or any other expenses incurred by Purchaser in connection with its proposed purchase of the Property upon the termination of this PSA during the Contingency Period.

9.5 Scope of Purchaser's Work. As described in Section 8.2 above, it shall be a condition in favor of Seller to Closing that Purchaser complete certain improvements to the Property which are described more fully on Exhibit C attached hereto and incorporated by reference (the "Work"). The Work shall be performed during the "Work Period" which shall commence upon Purchaser's waiver of contingencies as described in this Section 9 and shall have the following deadlines (which are incorporated into the Schedule of Performance):

- Purchaser shall have two (2) months from its waiver of contingencies to prepare and submit construction documents to the Seller for approval. Purchaser acknowledges that Seller's approval of the construction documents shall be limited only to design concepts and proposed use, not fitness for use or any other warranty which are hereby expressly disclaimed.
- Purchaser shall have three (3) months from the Seller's approval of the construction documents to obtain permits from the City to perform the Work.
- Purchaser shall have six (6) months from its receipt of permits to complete the Work during which time the Work shall be approved by Seller as to design concepts and proposed use. The Work shall otherwise be reviewed, inspected and approved for conformance to the construction documents, all permits and in accordance with any applicable local ordinances by the City acting in the ordinary course in its regulatory capacity.

Seller agrees to cooperate and to respond within a reasonable time to Purchaser's request for information, processing and submitting for approval of the Work.

9.6 Extension of Work Period. If Purchaser has been diligently pursuing completion of the Work (except to the extent Seller has failed to timely respond to Purchaser's requests for approvals hereunder and such failure has resulted in substantial delay in the completion of the Work), Seller shall grant extensions of the Work Period (each, an "Extended Work Period" or collectively as "Extended Work Periods") upon Purchaser notifying Seller of its desire to do so before the prior Work Period or Extended Work Period, as applicable, has lapsed. Upon the granting of an Extended Work Period, all references in this PSA to "Work Period" shall be deemed to include the exercised Extended Work Period.

9.7 Disclaimer of Warranties. Purchaser acknowledges that Purchaser currently occupies and uses the Property as a month-to-month tenant under the terms of the 2012 Letter Agreement and further acknowledges that Purchaser has continuously occupied and used the Property for more than sixteen (16) years since the inception of the Lease. As a material inducement by Purchaser to Seller to enter into this PSA and based on Purchaser's own peculiar knowledge of the Property after more than sixteen (16) years of occupancy and use and its further inspection, assessment and evaluation of the Property, Purchaser shall acquire the Property in its "AS IS AND WHERE AS" condition and shall be responsible for any and all defects in the Property, whether patent or latent, including, without limitation, the physical, environmental, and geotechnical condition of the Property, and the existence of any contamination, hazardous materials, vaults, debris, pipelines, wells, or other structures located on, under or about the Property. Except as expressly set forth in this PSA, Seller makes no representation or warranty concerning the physical, environmental, geotechnical or other condition of the Property. Purchaser acknowledges that, once Purchaser obtains title to the Property, any liability of the Seller for the environmental condition of the Property shall be extinguished, and that Seller shall have no liability for remediating any environmental condition of the Property. Purchaser shall indemnify Seller against any claim or liability relating to the environmental condition of the Property; provided, however, that Seller shall remain liable for (1) any hazardous materials released by Seller into the Property while Seller owned the Property, (2) any third party claim that arose during Seller's ownership of the Property; (3) Seller's fraud or willful misconduct in connection with this PSA; and (4) breach of Seller's Representation and Warranties. The foregoing indemnity obligation shall survive the Closing. With respect to the matters released by the Purchaser pursuant to this Section 9, Purchaser waives the benefits of Section 1542 of the Civil Code of the State of California, which provides as follows:

"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"

10. **Prorated and Adjusted Items.** The following items shall be prorated and/or adjusted using a 365-day year as follows:

10.1 Taxes. Escrow is not to be concerned with proration of Seller's taxes for the current fiscal year. Seller is a public agency and therefore exempt from the payment of property

taxes. Purchaser shall be responsible for all applicable prorated taxes once Purchaser obtains title to the Property.

10.2 Other Costs. Seller shall pay all water, sewer, telephone, and all other applicable utility charges incurred on or before the Closing Date with respect to the Property. After the Closing, Purchaser shall pay all such charges. Seller shall pay the applicable transfer taxes, the cost of recording any curative instruments and the cost of a CLTA standard coverage owner's title policy. Purchaser shall pay the cost of recording the Deed conveying title to the Property, the costs associated with Purchaser's financing, the cost of any extended coverage or ALTA owner's title policy and the cost of any title endorsements. Escrow fees shall be shared equally by the parties. Each party shall pay its own legal fees.

## 11. **Default.**

11.1 PURCHASER'S DEFAULT. IF PURCHASER FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY AS PROVIDED IN THIS AGREEMENT BY REASON OF ANY UNCURED MATERIAL DEFAULT OF PURCHASER (AND NOT DUE TO A FAILURE OF A CONDITION PRECEDENT), SELLER SHALL BE RELEASED FROM ITS OBLIGATION TO SELL THE PROPERTY TO PURCHASER. PURCHASER AND SELLER HEREBY ACKNOWLEDGE AND AGREE THAT IT WOULD BE IMPRACTICAL AND/OR EXTREMELY DIFFICULT TO FIX OR ESTABLISH THE ACTUAL DAMAGE SUSTAINED BY SELLER AS A RESULT OF SUCH DEFAULT BY PURCHASER, AND AGREE THAT THE DEPOSIT (INCLUDING ALL INTEREST ACCRUED THEREON) IS A REASONABLE APPROXIMATION THEREOF. ACCORDINGLY, IN THE EVENT THAT PURCHASER BREACHES THIS AGREEMENT BY DEFAULTING IN THE COMPLETION OF THE PURCHASE, THE DEPOSIT (INCLUDING ALL INTEREST ACCRUED THEREON) SHALL CONSTITUTE AND BE DEEMED TO BE THE AGREED AND LIQUIDATED DAMAGES OF SELLER, AND SHALL BE PAID BY PURCHASER TO SELLER AS SELLER'S SOLE AND EXCLUSIVE REMEDY FOR MONEY DAMAGES TOGETHER WITH PURCHASER'S WAIVER OF ANY OBLIGATION OF SELLER TO REIMBURSE PURCHASER FOR THE COST OF ANY IMPROVEMENTS MADE BY PURCHASER TO THE PROPERTY OR ANY OTHER EXPENSES INCURRED BY PURCHASER IN CONNECTION WITH ITS PROPOSED PURCHASE OF THE PROPERTY. EXCEPT FOR ATTORNEYS' AND OTHER FEES RECOVERABLE PURSUANT TO SECTION 24 AND ITS RIGHTS TO BE INDEMNIFIED AS PROVIDED IN THIS AGREEMENT, SELLER AGREES TO AND DOES HEREBY WAIVE ALL OTHER REMEDIES AGAINST PURCHASER WHICH SELLER MIGHT OTHERWISE HAVE AT LAW OR IN EQUITY BY REASON OF SUCH DEFAULT BY PURCHASER. THE PAYMENT OF THE DEPOSIT (INCLUDING ALL INTEREST ACCRUED THEREON) TOGETHER WITH PURCHASER'S WAIVER OF ANY OBLIGATION OF SELLER TO REIMBURSE PURCHASER FOR THE COST OF ANY IMPROVEMENTS MADE TO THE PROPERTY ANY OTHER EXPENSES INCURRED BY PURCHASER IN CONNECTION WITH ITS PROPOSED PURCHASE OF THE PROPERTY AS LIQUIDATED DAMAGES IS NOT INTENDED TO BE A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677.

SELLER'S INITIALS: \_\_\_\_\_ PURCHASER'S INITIALS: \_\_\_\_\_

11.2 SELLER'S DEFAULT. IF SELLER FAILS TO COMPLETE THE SALE OF THE PROPERTY AS PROVIDED IN THIS AGREEMENT BY REASON OF ANY MATERIAL DEFAULT OF SELLER (AND NOT DUE TO A FAILURE OF A CONDITION PRECEDENT), PURCHASER MAY EITHER (I) PROCEED AGAINST SELLER BY BRINGING AN ACTION FOR SPECIFIC PERFORMANCE UNDER THIS AGREEMENT WITHOUT ANY RIGHT TO SEEK DAMAGES OF ANY KIND OR NATURE, OR (II) TERMINATE THIS AGREEMENT IN WHICH EVENT THE INITIAL DEPOSIT AND ANY ADDITIONAL DEPOSITS SHALL BE RETURNED TO PURCHASER AND SELLER WILL REIMBURSE PURCHASER FOR ITS OUT-OF-POCKET COSTS RELATING TO THIS TRANSACTION AND INCURRED AS OF THE DATE OF SELLER'S DEFAULT UP TO A MAXIMUM THE AMOUNT DEPOSITED OF \$\_\_\_\_,000.00. PURCHASER AND SELLER HEREBY ACKNOWLEDGE AND AGREE THAT IT WOULD BE IMPRACTICAL AND/OR EXTREMELY DIFFICULT TO FIX OR ESTABLISH THE ACTUAL DAMAGE SUSTAINED BY PURCHASER AS A RESULT OF SUCH MATERIAL DEFAULT BY SELLER AND AGREE THAT THE REMEDY SET FORTH IN CLAUSE (II) ABOVE IS A REASONABLE APPROXIMATION THEREOF.

ACCORDINGLY, IN THE EVENT THAT SELLER BREACHES THIS AGREEMENT BY MATERIALLY DEFAULTING IN THE COMPLETION OF THE SALE, AND PURCHASER ELECTS NOT TO EXERCISE THE REMEDY SET FORTH IN CLAUSE (I) ABOVE BUT INSTEAD ELECTS THE REMEDY SET FORTH IN CLAUSE (II) ABOVE, SUCH SUMS SHALL CONSTITUTE AND BE DEEMED TO BE THE AGREED AND LIQUIDATED DAMAGES OF PURCHASER WHICH IS NOT INTENDED TO BE A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO PURCHASER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. EXCEPT FOR ATTORNEYS' AND OTHER FEES RECOVERABLE PURSUANT TO SECTION 24 BELOW AND ITS RIGHTS TO BE INDEMNIFIED AS PROVIDED IN THIS AGREEMENT, PURCHASER AGREES TO AND DOES HEREBY WAIVE ALL OTHER REMEDIES AGAINST SELLER WHICH PURCHASER MIGHT OTHERWISE HAVE AT LAW OR IN EQUITY BY REASON OF SUCH DEFAULT BY SELLER.

SELLER'S INITIALS: \_\_\_\_\_ PURCHASER'S INITIALS: \_\_\_\_\_

12. **Closing**. Consummation of this sale and purchase ("Closing") shall take place within thirty (30) days following the expiration of the Work Period, as it may be extended by one or more Extended Work Periods, at which time Purchaser shall provide a written waiver to Seller ("Purchaser's Closing Notice") of all conditions to Purchaser's obligation to proceed to Closing, unless this PSA has been duly and timely terminated pursuant to the provisions of this PSA. Closing shall take place at the offices of the Escrow Holder and coordinated through their affiliate offices. As used herein, "Closing Date" means the date and time on which the Deed is recorded in the Official Records of the County. The Closing Date shall occur within five days of the Purchaser's Closing Notice waiving all contingencies.

12.1 Outside Closing Date. Notwithstanding any provision of this PSA to the contrary, in no event shall the Closing occur later than four hundred (400) days following the Opening of Escrow (the "Outside Closing Date") subject to extension for force majeure delays.

13. Pre-Closing Covenants. Seller shall between the date hereof and the Closing Date, unless otherwise consented to in writing by Purchaser:

13.1 Maintain the Property in compliance with all applicable laws and in its present condition, reasonable wear and use excepted.

13.2 Not suffer or permit any new easements, encumbrances, liens or security interests to attach to the Property, or transfer or convey the Property or any portion or portions of the Property.

13.3 Not enter into or amend any contracts or agreements pertaining to the Property, which would survive the Closing and be binding upon Purchaser.

#### 14. **Risk of Loss.**

14.1 Condemnation. If before the Closing Date any action or proceeding is commenced for the condemnation or exercise of the rights of eminent domain with respect to the Property or any portion of the Property, 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 buildable area at the Property, or reduce or eliminate access to the Property, then Purchaser may either (a) terminate this PSA, or (b) proceed with the Closing without modifying the terms of this PSA and without reducing the Purchase Price, on the condition that Seller must assign and turn over, and Purchaser will be entitled to keep, all awards for the Condemnation that accrue to Seller; provided, however, if any award is rendered specifically to compensate Seller for Seller's lost goodwill, such an award shall belong to Seller. Seller may not negotiate, resist, or stipulate to any Condemnation without Purchaser's written consent. Seller must notify Purchaser of any notice of Condemnation of all or any portion of the Property within five (5) days after the receipt of such notice, and Purchaser must exercise its option(s) as provided in this Section within fifteen (15) days after receipt of such notice. If necessary, the Closing Date will be extended to give Purchaser the full 15-day period to make such election. Notwithstanding the foregoing, if any condemnation action is commenced prior to the Closing Date, Purchaser shall have the right to terminate this PSA and to receive the return of the Deposit, as well as a sum equal to Purchaser's out-of-pocket costs incurred in connection with this transaction.

14.2 Damage and Destruction. If before the Closing Date any damage or destruction of the Property, or any portion of it, occurs, then within three (3) days after determination of the amount of the Insurance Proceeds (defined below) to be received with respect to such loss, Purchaser must elect, by written notice to Seller, either to: (a) terminate this PSA (in which event the Deposit, and all accrued interest thereon, shall forthwith be returned to Purchaser and thereupon neither party shall have any further rights or obligations hereunder); or (b) receive an assignment of the Insurance Proceeds with respect to such loss and proceed to Closing without any reduction in the Purchase Price (in which event the Closing shall occur within thirty (30) days after such election). If Purchaser shall fail to provide such written notice of election within ten (10) days after determination of the amount of the Insurance Proceeds to be received with respect to such loss, then Purchaser shall be deemed to have elected to terminate this PSA. As used herein,

“Insurance Proceeds” means the proceeds from any and all insurance maintained by Seller with respect to the Property and/or to such loss, including without limitation fire and casualty and liability insurance.

**15. Representations and Warranties of Seller.** Seller represents and warrants to Purchaser that, to Seller’s current actual knowledge without any duty of investigation, except as set forth or otherwise disclosed in this PSA, or in any exhibit to this PSA, or in any schedule of exceptions attached to this PSA:

15.1 This PSA has been duly authorized and executed on behalf of Seller. As of the Opening of Escrow, this PSA constitutes a valid and binding agreement, enforceable in accordance with its terms. As of the Opening of Escrow, Seller has obtained all consents, releases and permissions and has given all required notifications related to the transaction herein contemplated and required under any covenant, agreement, encumbrance, law or regulation to which Seller is a party or by which Seller is bound.

15.2 Seller is the fee simple owner of the Property. Seller is not a party to any contract, agreement or commitment to sell, convey, assign, transfer or otherwise dispose of any portion or portions of the Property.

15.3 Seller has not received notice of violation of any applicable law, ordinance, regulation, order or requirement relating to the Property.

15.4 To Seller’s current actual knowledge without any duty of investigation, the Property may contain Hazardous Materials that would trigger response or remedial action under any environmental laws or any existing common law theory based on nuisance or strict liability. Purchaser acknowledges that Seller has not made any affirmative investigation as to environmental issues affecting the Property in connection with this PSA. As used in this PSA, the term “Hazardous Material” means any flammable items, explosives, radioactive materials, hazardous or toxic substances, material or waste or related materials, including any substance defined as or included in the definition of “hazardous substances”, “hazardous wastes”, “hazardous materials” or “toxic substances” now or subsequently regulated under any applicable federal, state or local laws or regulations, including without limitation petroleum-based products, paints, solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonia compounds and other chemical products, asbestos, PCBs and similar compounds, and including any different products and materials which are subsequently found to have adverse effects on the environment or the health and safety of persons.

15.5 There is no litigation pending or to the current actual knowledge of Seller without any duty of investigation, threatened, against or by Seller or the Property which relates to, or if decided adversely, could have a material adverse effect upon, the Property (including condemnation or similar proceedings).

15.6 Except for the 2012 Letter Agreement and as disclosed in writing to Purchaser by Seller as part of the Materials, there are no leases, licenses or other occupancy or use agreements, written or oral, in effect in which Seller has granted any party rights to possession or

use of the Property or any portion thereof, nor has Seller given any party an option or right of first refusal to purchase any portion of the Property.

15.7 Except as disclosed in writing to Purchaser by Seller as part of the Materials, the Property is not subject to any operating, maintenance or repair contract or other agreements that will bind the Property or Purchaser after the Closing (“Service Contracts”).

15.8 Seller is not aware of nor shall Seller be responsible for any inaccuracy or incompleteness of any of the documents, materials or reports contained in the Materials.

15.9 To Seller’s current actual knowledge without any duty of investigation and except for matters of record as of the date hereof, there are no bonds or assessments or charges for any public improvements or utilities made against the Property which remain unpaid (or which will remain unpaid by Seller as of the Closing Date).

As used herein, “current actual knowledge without duty of investigation” of Seller refers to the current actual knowledge of the City Manager of the City of South.

16. **No Assignment.** Except for an assignment to 7916 Long Beach, LLC, a California limited liability company, which shall be wholly owned by Purchaser, Purchaser shall have no right to sell, transfer or assign any of its right, title and interest in and to this PSA to any person or entity without the express prior written consent of Seller, and any attempted sale, transfer or assignment (except as permitted hereinabove) without Seller’s express prior written consent shall be null and void *ab initio*.

17. **Business Days.** As used herein, the term “Business Days” refers to Monday through Thursday, excluding holidays on which the City of South Gate or Seller are closed for business.

18. **Binding Effect.** The covenants herein shall bind and inure to the benefit of the executors, administrators, successors and assigns of the respective parties.

19. **Brokers.** Purchaser and Seller each represents and warrants to the other that it has not engaged the services of any real estate broker, salesperson, agent or finder, nor done any other act nor made any statement, promise or undertaking, which would result in the imposition of liability for the payment of any real estate brokerage commission, finder’s fee or otherwise in connection with the transaction described in this PSA. In the event that any person or entity perfects a claim for a brokerage commission, finder’s fee or otherwise, based upon any agreement, statement or act, the Party through whom such person or entity makes such a claim shall be responsible therefor and shall defend, indemnify and hold the other Party and the property harmless from and against such claim and all loss, costs and expense associated therewith, including attorneys’ fees.

20. **Integration; Merger; Amendment; Survival of Representations.** Seller and Purchaser have not made any covenants, warranties or representations not set forth in this PSA. This PSA constitutes the entire Agreement between the parties. Except as otherwise provided herein, all representations, warranties and covenants set forth in this PSA shall survive closing. This instrument shall as to all prior drafts or forms exchanged between the parties or executed by the parties, be the sole effective instrument between them as to the provisions set forth in this PSA.



None of the terms and provisions hereof shall be altered or amended unless in writing and signed by the parties.

21. **Execution in Counterparts and by Fax/Email.** This document may be validly executed and delivered by e-mail and/or portable document format (collectively, "Electronic Copy"). Any signer who executes this document and transmits this document by Electronic Copy intends that the Electronic Copy of their signature is to be deemed an original signature for all purposes. Any such Electronic Copy printout and any complete photocopy of such Electronic Copy printout are hereby deemed to be an original counterpart of this document. This PSA may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

22. **Notices.** All notices shall be in writing and delivered personally, by overnight air courier service, by facsimile transmission or email, or by U.S. certified or registered mail, return receipt requested, postage prepaid, to the parties at their respective addresses set forth below, and the same shall be effective upon receipt if delivered personally, one (1) Business Day after depositing with an overnight air courier, or five (5) Business Days after depositing in the mail immediately, upon transmission (as confirmed by electronic confirmation of transmission generated by the sender's machine) for any notice given by facsimile or email:

If to Seller:            Successor Agency to the Community Development  
Commission of the City of South Gate  
8650 California Avenue  
South Gate, CA 90280  
Attn: Joe Perez, Director of Community Development  
Phone: (323)563-9566  
Email: jperez@sogate.org

with a copy to:        Alvarado Smith  
633 West Fifth Street, Suite 900  
Los Angeles, CA 90071  
Attn: Raul F. Salinas, City Attorney  
Email: rsalinas@alvaradosmith.com

If to Purchaser:       Graduates Do Succeed, Inc., dba GDS Institute  
7916 Long Beach Boulevard  
South Gate, CA 90280  
Phone: (562) 244-8864  
Attn: Salvador Franco, Vice-President  
Email: sfrancovp@aol.com

23. **Governing Law.** This PSA shall be construed according to the laws of the State of California.

24. **Expenses.** Seller and Purchaser shall pay their respective expenses and costs in connection with the preparation of this PSA and other agreements and documents related to this PSA and the transactions contemplated herein.

25. **Severability.** If any term of this PSA is held by a court of competent jurisdiction to be invalid or unenforceable, then this PSA, including all of the remaining terms, will remain in full force and effect as if such invalid or unenforceable term had never been included.

26. **Construction.** In determining the meaning of, or resolving any ambiguity with respect to, any word, phrase or provision of this PSA, no uncertainty or ambiguity shall be construed or resolved against a party under any rule of construction, including the party primarily responsible for the drafting and preparation of this PSA. Headings used in this PSA are provided for convenience only and shall not be used to construe meaning or intent. As used in this PSA, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates

27. **Qualification; Authority.** Each individual executing this PSA on behalf of a party which is an entity, represents, warrants and covenants to the other party that (a) such person is duly authorized to execute and deliver this PSA on behalf of such entity in accordance with authority granted under the organizational documents of such entity, and (b) such entity is bound under the terms of this PSA.

28. **Counterparts.** This PSA may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall be deemed but one and the same instrument, and an e-mailed PDF copy of such execution shall be deemed an original.

29. **Miscellaneous.**

29.1 Execution of Documents. The parties agree to execute such instructions to Title Company and such other instruments and to do such further acts as may be reasonably necessary to carry out the provisions of this PSA.

29.2 Inducement. The making, execution and delivery of this PSA by the parties hereto have been induced by no representations, statements, warranties or agreements other than those expressly set forth herein.

29.3 Incorporation of Exhibits. The exhibits attached hereto are incorporated herein by reference.

29.4 Relationship of Parties. Notwithstanding anything to the contrary contained herein, this PSA shall not be deemed or construed to make the parties hereto partners or joint venturers, or to render either party liable for any of the debts or obligations of the other, it being the intention of the parties to merely create the relationship of Seller and Purchaser with respect to the Property to be conveyed as contemplated hereby.

29.5 Limitation of Liability. The parties agree that neither the holders of beneficial interests nor the trustees, officers, members, employees or agents of either party or any assignee or affiliate of either party shall be personally liable under the PSA and all parties hereto shall look solely to the assets of the entity, for the payment of any claim or the performance of any obligation of either under this PSA.

29.6 **Force Majeure.** If either Party is delayed or prevented from performing any act required in this PSA by reason of any event beyond the reasonable control of either Party, including without limitation, by labor disputes, fire, unusual delay in deliveries, weather or acts of God, terrorism, delay in the issuance of permits or approvals, acts of governmental entities, unavoidable casualties or any other such causes beyond such Party's control, then the time herein fixed for completion of such obligation(s) shall be extended by the number of days that such Party has been delayed.

30. **1031 Exchange.** Both Seller and Purchaser agree to reasonably cooperate with each other in the event that either or both wish to participate in a 1031 exchange. Any party initiating an exchange shall bear all costs of such exchange.

31. **Independent Review.** The Parties have had the opportunity to obtain, and have obtained, independent legal or other professional advice with regard to this PSA. The Parties acknowledge that the terms of this PSA have been read and fully explained and that those terms are fully understood and voluntarily accepted.

32. **Voluntary Agreement.** The Seller and Purchaser represent that they have read this PSA in full and understand and voluntarily agree to all of its provisions. Both the Seller and Purchaser further declare that, prior to signing this PSA, they availed themselves of relevant data, through sources of their own selection, including a legal representative, in deciding whether to execute this PSA.

33. **Entire Agreement.** This PSA constitutes the final agreement between the Parties. It is the complete and exclusive expression of the Parties' agreement on the matters contained in this PSA. All prior and contemporaneous negotiations and agreements between the Parties on the matters contained in this PSA are expressly merged into and superseded by this PSA. In entering into this PSA, neither Party has relied upon any statement, representation, warranty, nor agreement of the other Party except for those expressly contained in this PSA. There are no conditions precedent to the effectiveness of this PSA other than those expressly stated in this PSA.

34. **Amendments.** This PSA may not be amended or modified except in writing signed by each of the Parties to the PSA.

35. **Third Parties.** This PSA does not and is not intended to confer any rights or remedies upon any party other than the Parties.

36. **Interpretation.** This PSA shall be construed as to its fair meaning and not strictly for or against either Party. The headings hereof are descriptive only and not to be construed in interpreting the provisions hereof.

**PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS**  
**APNs 6202-010-900 and 6202-010-901**  
**(7916 Long Beach Boulevard - PMP Property No. 13)**

~ Signature Page ~

IN WITNESS WHEREOF, the parties hereto have executed this PSA on the date and year first-above written.

**SELLER:**

**SUCCESSOR AGENCY TO THE  
COMMUNITY DEVELOPMENT  
COMMISSION:**

\_\_\_\_\_  
María Belén Bernal, Chairperson

**ATTEST:**

\_\_\_\_\_  
Carmen Avalos, City Clerk/Recording Secretary  
(SEAL)

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Raul F. Salinas, City Attorney/General Counsel  
Successor Agency to the Community Development  
Commission of the City of South Gate

**PURCHASER:**

GRADUATES DO SUCCEED, INC.,  
a California corporation dba GDS Institute

By: \_\_\_\_\_  
Salvador Franco, Vice-President

## EXHIBIT A

### DESCRIPTION OF PROPERTY

The land referred to in this Commitment is situated in the City of South Gate, County of Los Angeles, State of California, and is described as follows:

THE SOUTH 20 FEET OF LOT 1089, AND ALL OF LOTS 1090, 1091, 1092 AND 1093 OF TRACT NO. 2080, IN THE RANCHO SAN ANTONIO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 22, PAGES 162 AND 163 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE EAST 21.5 FEET OF SAID LOTS 1090, 1091, 1092 AND 1093; AND

LOT 1094 AND THOSE PORTIONS OF LOTS 1089 TO 1093, BOTH INCLUSIVE, AND THAT PORTION OF THE VACATED ALLEY ADJOINING SAID LOT 1094 ON THE WEST AND NORTH, ALL IN TRACT NO. 2080, IN THE RANCHO SAN ANTONIO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 22, PAGES LOT 162 AND 163 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS A WHOLE AS FOLLOWS;

BEGINNING AT THE SOUTHEASTERLY CORNER OF SAID LOT 1094, THENCE WESTERLY ALONG THE SOUTHERLY LINE OF SAID LOT 1094 AND ITS WESTERLY PROLONGATION AND THE SOUTHERLY LINE OF LOT 1093, 61.5 FEET TO A POINT DISTANT 80 FEET EASTERLY FROM THE SOUTHWESTERLY CORNER OF SAID LOT 1093; THENCE NORTHERLY PARALLEL WITH THE EASTERLY LINE OF SAID LOT 1094 AND ITS NORTHERLY PROLONGATION 120 FEET; THENCE EASTERLY PARALLEL WITH THE SOUTHERLY LINE OF SAID LOT 1093 AND ITS EASTERLY PROLONGATION AND THE SOUTHERLY LINE OF SAID LOT 1094, 61.5 FEET, THENCE SOUTHERLY ALONG THE NORTHERLY PROLONGATION OF THE EASTERLY LINE OF SAID LOT 1094, AND SAID EASTERLY LINE 120 FEET TO THE POINT OF BEGINNING.

APN(S): 6202-010-900 AND 6202-010-901

**EXHIBIT B**

**Deed**

FREE RECORDING REQUESTED  
BY  
AND WHEN RECORDED MAIL TO:

City Clerk  
City of South Gate  
8650 California Avenue  
South Gate, CA 90280

SPACE ABOVE THIS LINE FOR RECORDER'S USE  
EXEMPT FROM RECORDING FEE PER GOV. CODE § 27383

**GRANT DEED**

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SOUTH GATE ("Grantor"), hereby grants to Graduates Do Succeed, Inc., a California corporation ("Grantee"), all of Grantor's respective rights, title, and interest in the real property located in the City of South Gate, County of Los Angeles, State of California, as more particularly described in Attachment 1 attached hereto and incorporated herein by this reference.

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed on its behalf as of the date written below.

**SELLER:**

SUCCESSOR AGENCY TO THE COMMUNITY  
DEVELOPMENT COMMISSION OF THE CITY  
OF SOUTH GATE

By: \_\_\_\_\_  
María Belén Bernal, Chairperson

## **Attachment 1 to Grant Deed**

### **Legal Description of the Property**

The land referred to in this Commitment is situated in the City of South Gate, County of Los Angeles, State of California, and is described as follows:

THE SOUTH 20 FEET OF LOT 1089, AND ALL OF LOTS 1090, 1091, 1092 AND 1093 OF TRACT NO. 2080, IN THE RANCHO SAN ANTONIO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 22, PAGES 162 AND 163 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE EAST 21.5 FEET OF SAID LOTS 1090, 1091, 1092 AND 1093; AND

LOT 1094 AND THOSE PORTIONS OF LOTS 1089 TO 1093, BOTH INCLUSIVE, AND THAT PORTION OF THE VACATED ALLEY ADJOINING SAID LOT 1094 ON THE WEST AND NORTH, ALL IN TRACT NO. 2080, IN THE RANCHO SAN ANTONIO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 22, PAGES LOT 162 AND 163 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS A WHOLE AS FOLLOWS;

BEGINNING AT THE SOUTHEASTERLY CORNER OF SAID LOT 1094, THENCE WESTERLY ALONG THE SOUTHERLY LINE OF SAID LOT 1094 AND ITS WESTERLY PROLONGATION AND THE SOUTHERLY LINE OF LOT 1093, 61.5 FEET TO A POINT DISTANT 80 FEET EASTERLY FROM THE SOUTHWESTERLY CORNER OF SAID LOT 1093; THENCE NORTHERLY PARALLEL WITH THE EASTERLY LINE OF SAID LOT 1094 AND ITS NORTHERLY PROLONGATION 120 FEET; THENCE EASTERLY PARALLEL WITH THE SOUTHERLY LINE OF SAID LOT 1093 AND ITS EASTERLY PROLONGATION AND THE SOUTHERLY LINE OF SAID LOT 1094, 61.5 FEET, THENCE SOUTHERLY ALONG THE NORTHERLY PROLONGATION OF THE EASTERLY LINE OF SAID LOT 1094, AND SAID EASTERLY LINE 120 FEET TO THE POINT OF BEGINNING.

APN(S): 6202-010-900 AND 6202-010-901

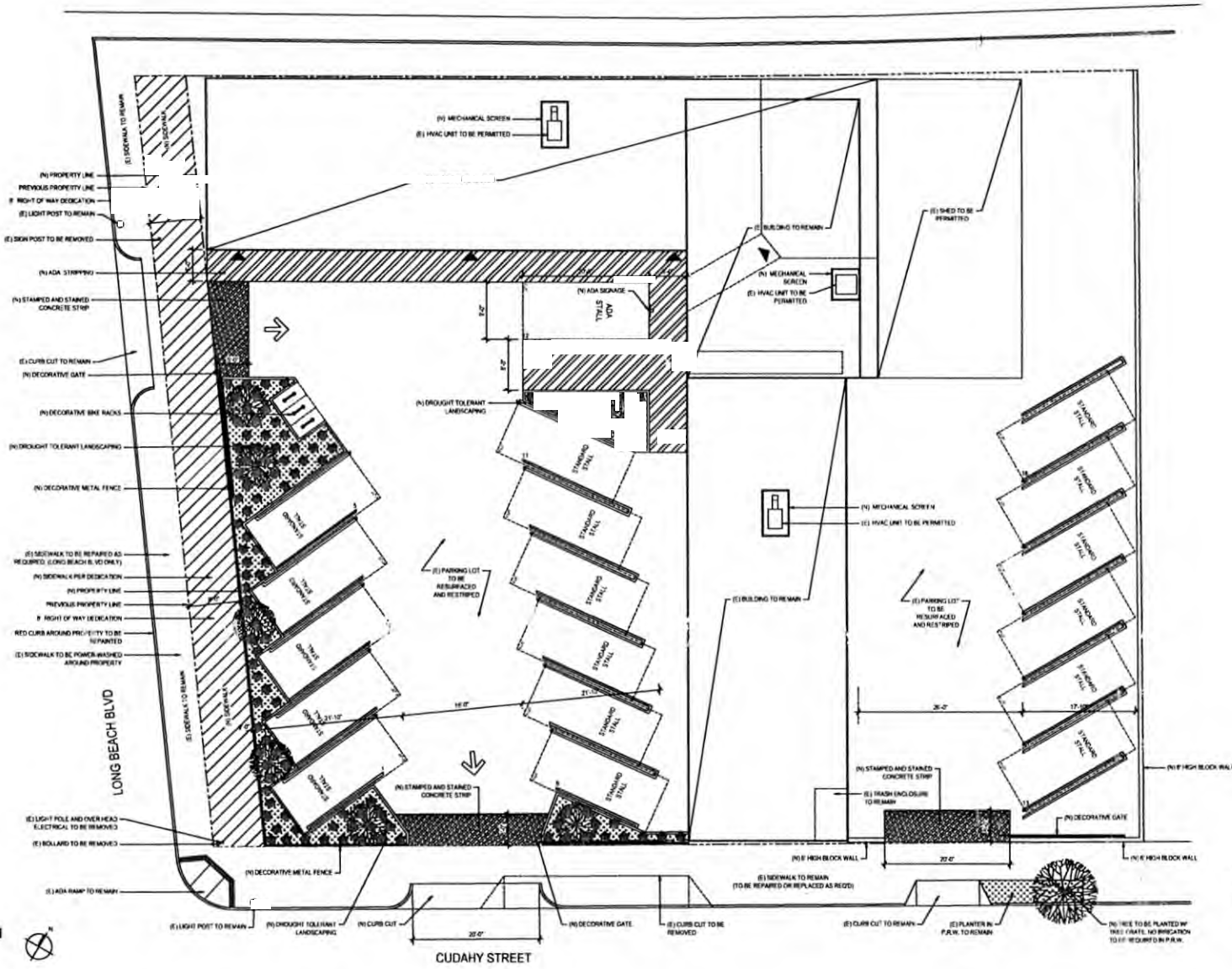
**7916 LONG BEACH BLVD**  
SOUTH GATE, CALIFORNIA

**SITE IMPROVEMENT PACKAGE**

**EXHIBIT C**  
**DESCRIPTION OF THE WORK**



# SITE PLAN



**GENERAL KEYNOTES**

1. REMOVE EXTERIOR SECURITY BARS ON ALL BUILDING
2. REPLACE EXISTING LIGHT FIXTURES ON BUILDING WITH DECORATIVE LIGHT FIXTURES.
3. ALL OUTSIDE STORAGE (DISCARDED EQUIPMENT, CONSTRUCTION DEBRIS) AND INOPERABLE VEHICLES TO BE REMOVED
4. ALL UNPERMITTED SIGNAGE TO BE REMOVED

SITE PLAN  
N.T.S.



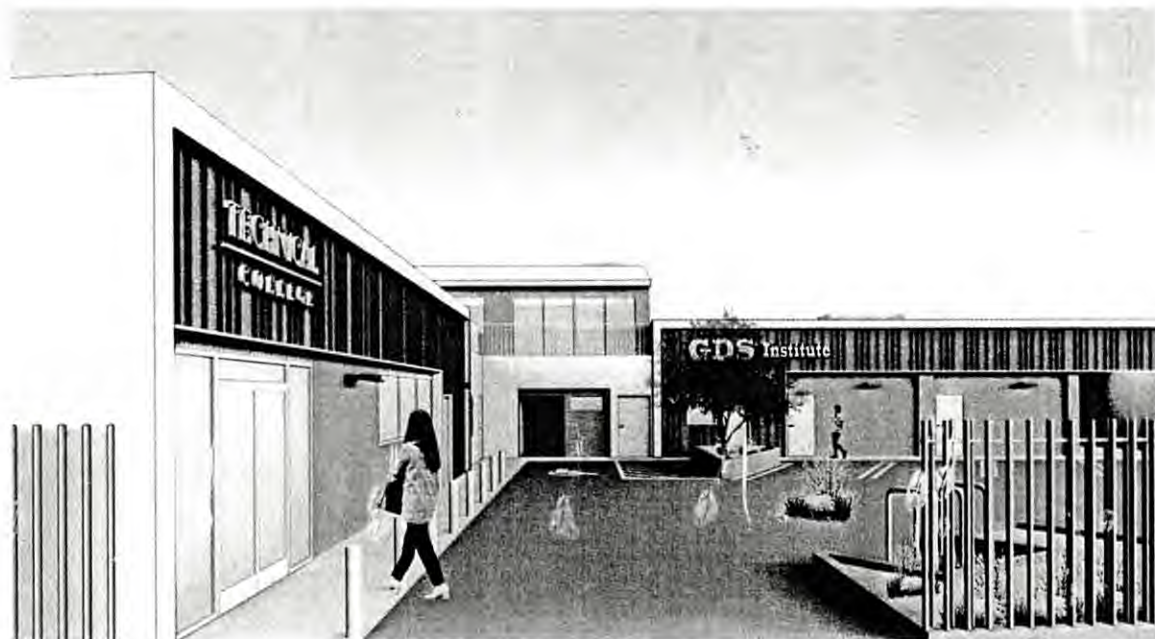
RFRM All ideas, designs, arrangements and items indicated or represented by this drawing are owned by and property of the collector and were created, designed and developed for use on and in connection with the specified project. None of such ideas, designs, arrangements, or plans shall be used by or disclosed to any person, firm or corporation for any purpose whatsoever without the written permission of the collector.



- (N) MECHANICAL SCREEN
- (E) ROLL-UP DOOR TO BE REPLACED WITH WINDOW AND MAN DOOR
- (N) SMOOTH STUCCO. COLOR: WHITE
- (N) SMOOTH STUCCO. COLOR: GRAY
- (N) STANDING SEAM METAL PANEL
- (N) BACK LIT CHANNEL LETTER SIGN
- (E) WINDOW TO BE REPLACED TYP.
- (E) STOREFRONT TO REMAIN
- (E) CURB CUT TO REMAIN
- (E) SIDEWALK TO REMAIN
- (N) SIDEWALK EXTENSION PER DEDICATION
- (N) DECORATIVE METAL FENCE
- (N) DROUGHT TOLERANT LANDSCAPE

- (N) SMOOTH STUCCO. COLOR: WHITE
- (N) SMOOTH STUCCO. COLOR: GRAY
- (N) MECHANICAL SCREEN
- (E) ROLL-UP DOORS TO REMAIN. TO BE OPEN DURING BUSINESS HOURS AND HIDDEN BEHIND SCREEN. TYP. FOR 5 DOORS. (SHOWN OPEN IN RENDERING.)
- (N) SMOOTH STUCCO. COLOR: GRAY
- (N) STANDING SEAM METAL PANEL WALL. COLOR: BLUE
- (N) DECORATIVE LIGHTING. TYP.
- (N) 6' HIGH CMU WALL
- (N) TREE WITH TREE GRATE
- (E) CURB CUT TO REMAIN
- (N) SMOOTH STUCCO COLOR: WHITE
- (N) STAMPED AND STAINED CONCRETE STRIP. (5' WIDE) AT ALL ENTRANCES.
- (N) CURB CUT TO REMAIN
- (E) SIDEWALK TO REMAIN. TO BE REPLACED/REPAIRED AS REQUIRED.
- (E) PARKING LOT TO BE RESURFACED AND RESTRIPPED
- (E) ADA RAMP TO REMAIN

# RENDERING // PERSPECTIVE



RFRM

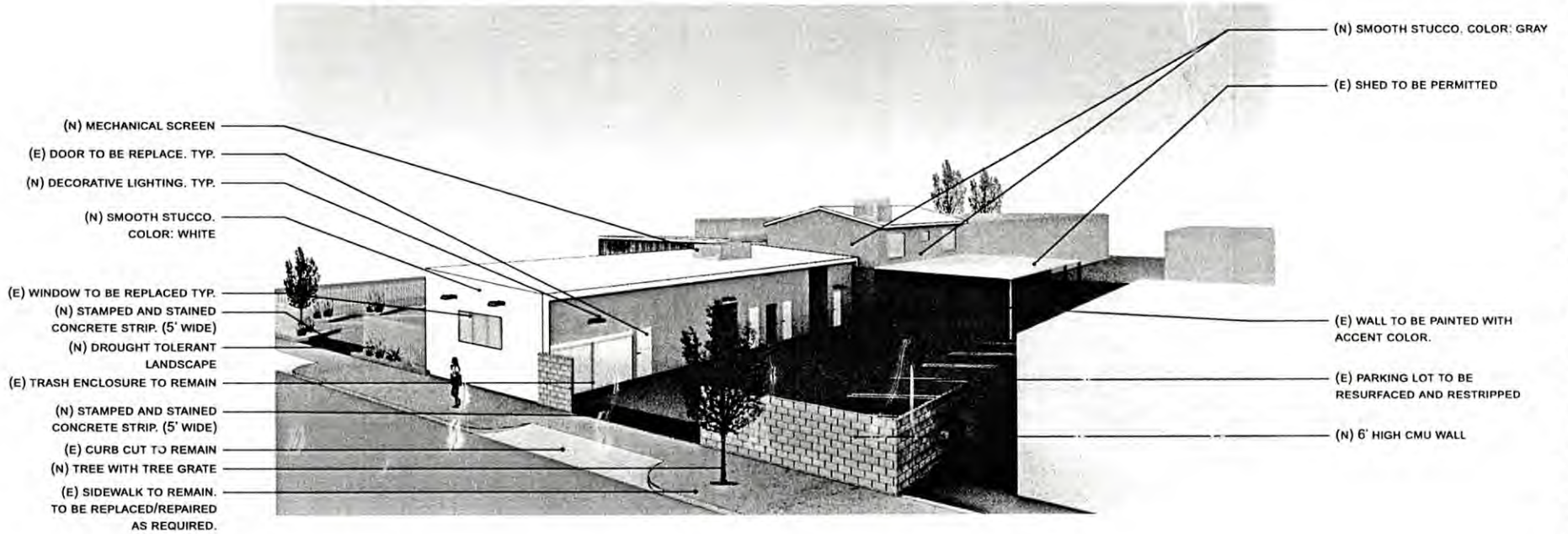
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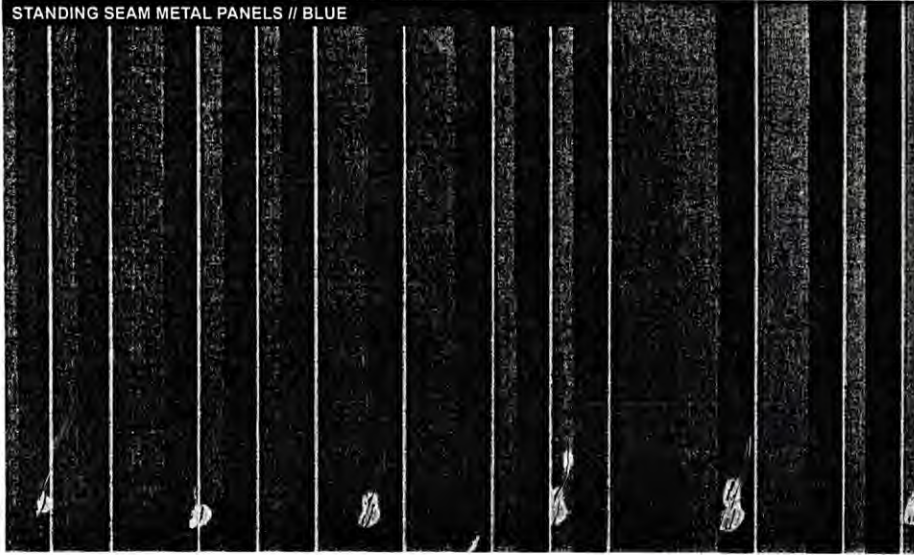
RFMR

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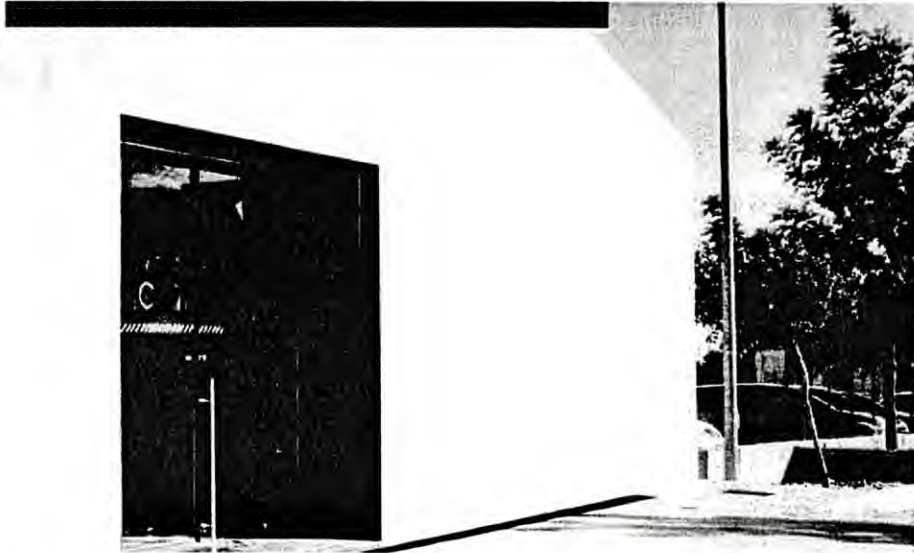
RENDERING // BACK SIDE



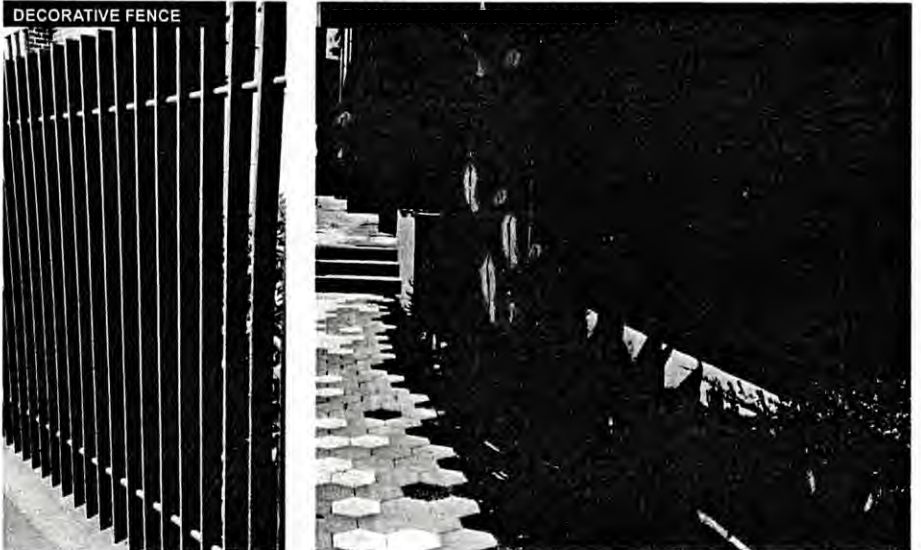
STANDING SEAM METAL PANELS // BLUE



SMOOTH STUCCO // GRAY



DECORATIVE FENCE



REFERENCE IMAGES



RFRM

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**EXHIBIT D**

**SCHEDULE OF PERFORMANCE**

	<u><b>Item To Be Performed</b></u>	<u><b>Time For Performance</b></u>	<u><b>Agreement Reference</b></u>
1.	Purchaser executes and delivers Purchase and Sale Agreement ("Agreement") to Seller		
2.	Seller accepts and executes Agreement	Within 3 Business Days of Oversight Board Approval	2
3.	Open Escrow	Within 3 Business Days after execution of Agreement by Seller	3
4.	Seller delivers to Purchaser Preliminary Title Report	Within 5 Business Days after Seller execution of Agreement	6
5.	Purchaser provides Seller with written verification of sufficient funds.	Within 5 days of the execution of Agreement	8.1
6.	Purchaser approves or disapproves title exceptions	Within 15 days after delivery to Purchaser of Preliminary Title Report, all documents listed in the Preliminary Title Report	6
7.	Seller delivers notice to Purchaser as to whether it will cure disapproved exceptions	Within 15 Business Days after receipt of Purchaser's notice	6
8.	Seller delivers to Purchaser all relevant reports, plans, documents and other materials	Within 5 Business Days of the Opening of Escrow	9.1
9.	Purchaser approves or disapproves the environmental and physical condition of the Property, waives condition, or extends contingency period.	Within 15 Business Days after Opening of Escrow	9

	<u>Item To Be Performed</u>	<u>Time For Performance</u>	<u>Agreement Reference</u>
10.	Purchaser undertakes the process to complete its Work to the Property	Commencing upon Purchaser's waiver of Contingencies	9.5
11.	Deposits into escrow by Seller:		
	a) Executed Deed	On or before 1:00 p.m. on the business day preceding the Closing Date	5.1.1
	b) Payment of Seller's Share of Escrow Costs	On or before 1:00 p.m. on the business day preceding the Closing Date	5.1.5; 10
	c) Executed settlement closing statement	On or before 1:00 p.m. on the business day preceding the Closing Date	5.1.3
	d) Any additional Closing Documents	On or before 1:00 p.m. on the business day preceding the Closing Date	5.1.4
	e) Taxpayer ID Certificate	On or before 1:00 p.m. on the business day preceding the Closing Date	5.1.2
	f) FIRPTA Certificate	On or before 1:00 p.m. on the business day preceding the Closing Date	5.1.2
12.	Deposits into escrow by Purchaser:		
	a) The Purchase Price required by Section 4.2	On or before 1:00 p.m. on the business day preceding the Closing Date	5.2.1; 4.2



	<u>Item To Be Performed</u>	<u>Time For Performance</u>	<u>Agreement Reference</u>
	b) Payment of Purchaser's Share of Escrow Costs	On or before 1:00 p.m. on the business day preceding the Closing Date	5.3; 10
	c) Preliminary Change of Ownership Statement	On or before 1:00 p.m. on the business day preceding the Closing Date	5.2.2
13.	Close of escrow; recordation and delivery of documents	Within 30 days after Expiration of Work Period or 5 days after receipt of the Purchaser's Closing Notice	12

It is understood that the foregoing Schedule of Performance is subject to all of the terms and conditions set forth in the text of the PSA. The summary of the items of performance in this Schedule of Performance is not intended to supersede or modify the more complete description in the text; in the event of any conflict or inconsistency between this Schedule of Performance and the text of the PSA, the text shall govern.

The time periods set forth in this Schedule of Performance may be altered or amended only by written agreement signed by both Purchaser and Seller. A failure by either party to enforce a breach of any particular time provision shall not be construed as a waiver of any other time provision.


**RESOLUTION CERTIFICATION PAGE**

**STATE OF CALIFORNIA        )**  
**COUNTY OF LOS ANGELES    )     SS**  
**CITY OF SOUTH GATE         )**

I, Carmen Avalos, City Clerk of the City of South Gate, California, hereby certify that the whole number of Members of the City Council of said City is five; that Resolution No. 7837 was adopted by the City Council at their Joint Special Meeting held on December 11, 2018 by the following vote:

Ayes:           Council Members:   Bernal, Diaz, Davila and Rios  
Noes:           Council Members:   None  
Absent:         Council Members:   Morales  
Abstain:        Council Members:   None

Witness my hand and the seal of said City on December 19, 2018.

  
\_\_\_\_\_  
Carmen Avalos, City Clerk  
City of South Gate, California