



**CITY OF SOUTH GATE  
SOUTH GATE CITY COUNCIL  
SOUTH GATE HOUSING AUTHORITY  
SPECIAL JOINT MEETING AGENDA**

Tuesday, April 28, 2020 at 5:30 p.m.

**TELECONFERENCE**

**DIAL-IN-NUMBER: 1-669-900-6833**

**MEETING ID: 961 5021 0709 #**

**<https://zoom.us/j/96150210709>**

**I. Call To Order/Roll Call Joint Meeting**

<b>CALL TO ORDER</b>	Denise Diaz, Vice Mayor/Vice Chairperson
<b>ROLL CALL</b>	Carmen Avalos, City Clerk/Recording Secretary

**II. City Officials (Joint City Council & Housing Authority)**

<b>MAYOR/CHAIRPERSON</b>	<b>CITY CLERK/RECORDING SECRETARY</b>
	Carmen Avalos

<b>VICE MAYOR/VICE CHAIRPERSON</b>	<b>CITY TREASURER</b>
Denise Diaz	Gregory Martinez

<b>COUNCIL MEMBERS/HOUSING AUTHORITY MEMBERS</b>	<b>CITY MANAGER/EXECUTIVE DIRECTOR</b>
Maria del Pilar Avalos	Michael Flad

Maria Davila	<b>CITY ATTORNEY/LEGAL COUNSEL</b>
Gil Hurtado	Raul F. Salinas
Al Rios	

<b>DIRECTOR OF COMMUNITY DEVELOPMENT/DIRECTOR OF THE SOUTH GATE HOUSING AUTHORITY</b>
Joe Perez

### **III. COVID 19 Meeting Procedures**

Pursuant to Governor Newsom's Executive Order N-29-20, dated March 17, 2020, members of the South Gate City Council, staff, and the public will participate in the April 28, 2020 meeting via a teleconference. To avoid exposure to COVID-19 this meeting will be held with City Council Members participating via teleconference by calling Dial-in-Number: 1-669-900-6833 and Meeting ID: 961 5021 0709 # and <http://zoom.us/j/96150210709>

Additionally, you may submit your comments electronically by emailing the City Clerk at [cavalos@sogate.org](mailto:cavalos@sogate.org).

#### **Procedure for Participation:**

Any person wanting to participate may request to "speak" on an agenda item. Once acknowledged and authorized by the Mayor the person may speak. Alternatively, any person may submit comments on an item electronically by emailing [cavalos@sogate.org](mailto:cavalos@sogate.org). Submissions by email must be received 30 minutes prior to the posted start time of the meeting if emailing subject.

Subject line should read: **COMMENTS FOR ITEM \_\_\_\_\_, MEETING OF APRIL 28, 2020.**

**Accessibility:** Reasonable accommodations for individuals with disabilities will be handled on a case-by-case basis and in accordance with the Americans with Disabilities Act and Governor Newsom's Executive Order N-29-20. Please call the Office of the City Clerk at 323.563.9510.

### **IV. Meeting Compensation Disclosure (Joint City Council And Housing Authority)**

Pursuant to Government Code Section 54952.3: Disclosure of compensation for meeting attendance by City Council Members is \$650 monthly and the Housing Authority Commissioners is \$75 per meeting.

### **V. Closed Session: (ATTY)**

#### **1. CONFERENCE WITH LEGAL COUNCIL - REAL PROPERTY NEGOTIATIONS**

Pursuant to Government Code Section 54956.8

Property APN: 6264-004-900  
Property: 13050 Paramount Boulevard, South Gate,  
California 90280  
City Negotiator: Michael Flad, City Manager  
Negotiating with: Los Angeles County Office of Education  
Under Negotiation: Terms of Sale

Documents:

## **VI. Open Session Agenda**

### **1. South Gate Public Housing Authority Re-Organization**

The South Gate Public Housing Authority will re-organize and make the following appointments: (ADMIN)

- a. Appoint Mayor Maria Davila as Chairperson;
- b. Appoint Vice Mayor Al Rios as Vice Chairperson;
- c. Appoint Council Members Maria del Pilar Avalos, Denise Diaz and Gil Hurtado as Housing Authority Members;
- d. Appoint City Manager Michael Flad as Executive Director;
- e. Appoint City Clerk Carmen Avalos as Recording Secretary;
- f. Appoint Director of Administrative Services Jackie Acosta as Treasurer/Chief of Financial Officer;
- g. Appoint Director of Community Development Joe Perez as Director of the Housing Authority; and
- h. Appoint City Attorney Raul F. Salinas as Authority Counsel.

Documents:

[ITEM 1 REPORT 04282020 CC HA.PDF](#)

### **2. Resolution Approving The City And Housing Authority Cooperation Agreement**

The City Council and South Gate Housing Authority will consider: (CD)

- a. Adopting a Joint **Resolution** \_\_\_\_\_ approving the Cooperation Agreement (Loan Agreement) between the City of South Gate and Housing Authority for the purchase of real property located at 13050 Paramount Boulevard, South Gate (APN 6264-004-900), former Rancho Market Site; and
- b. Authorizing the Mayor/Chairperson to execute the Cooperation Agreement in a form acceptable to the City Attorney/Authority Counsel.

Documents:

[ITEM 2 REPORT 04282020 CC HA.PDF](#)

### **3. Minutes**

The City Council and South Gate Housing Authority will consider approving the Joint Special Meeting minutes of November 12, 2019. (CLERK)

Documents:

[ITEM 3 REPORT 04282020 CC HA.PDF](#)

#### **4. Minutes**

The South Gate Housing Authority will consider approving the meeting minutes of March 24, 2020. (CLERK)

Documents:

[ITEM 4 REPORT 04282020 CC HA.PDF](#)

### **VII. Adjournment**

I, Carmen Avalos, City Clerk, certify that a true and correct copy of the foregoing Meeting Agenda was posted April 23, 2020 at 8:40 p.m., as required by law.

Carmen Avalos, CMC  
City Clerk

Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office


8650 California Avenue, South Gate, California 90280  
(323) 563-9510 \* fax (323) 563-5411 \* [www.cityofsouthgate.org](http://www.cityofsouthgate.org)

In compliance with the American with Disabilities Act, if you need special assistance to participate in the City Council Meetings, please contact the Office of the City Clerk.

Notification 48 hours prior to the City Council Meeting will enable the City to make reasonable arrangements to assure accessibility.

## MEMORANDUM

---

**TO:** Michael Flad, City Manager  
**FROM:** Carmen Avalos, City Clerk   
**DATE:** April 23, 2020  
**SUBJECT:** **CLOSED SESSION ITEM FOR THE JOINT CITY COUNCIL AND  
SOUTH GATE HOUSING AUTHORITY MEETING OF APRIL 28, 2020**

---

The following item should be listed on the Closed Session Agenda for the Joint City Council and South Gate Housing Authority Meeting on April 28, 2020 at 5:30 p.m. at the City Council Chambers:

1. **CONFERENCE WITH LEGAL COUNSEL - REAL PROPERTY  
NEGOTIATIONS**

Pursuant to Government Code Section 54956.8

Property APN: 6204-025-039  
Property Address: 13050 Paramount Boulevard, South Gate, California 90280  
City Negotiator: Michael Flad, City Manager  
Negotiating with: Los Angeles County Office of Education  
Under Negotiation: Terms of Purchase

**RECEIVED**

# City of South Gate

**Item No. 1**

## CITY COUNCIL AND SOUTH GATE HOUSING AUTHORITY

APR 23 2020

# AGENDA BILL

CITY OF SOUTH GATE  
OFFICE OF THE CITY MANAGER

3:30pm

For the Regular Meeting of: April 28, 2020

Originating Department: Administration

City Manager: Michael Flad / 1/3/20  
Michael Flad

City Manager: Michael Flad / 1/3/20  
Michael Flad

**SUBJECT:** SOUTH GATE HOUSING AUTHORITY RE-ORGANIZATION

**PURPOSE:** This item allows the South Gate Housing Authority to re-organize and make required appointments.

**RECOMMENDED ACTIONS:** The South Gate Housing Authority will re-organize and make the following appointments:

- a. Appoint Mayor Maria Davila as Chairperson;
- b. Appoint Vice Mayor Al Rios as Vice Chairperson;
- c. Appoint Council Members Maria del Pilar Avalos, Denise Diaz and Gil Hurtado as Housing Authority Members;
- d. Appoint City Manager Michael Flad as Executive Director;
- e. Appoint City Clerk Carmen Avalos as Recording Secretary;
- f. Appoint Director of Administrative Services Jackie Acosta as Treasurer/Chief Financial Officer;
- g. Appoint Director of Community Development Joe Perez as Director of the Housing Authority; and
- h. Appoint City Attorney Raul F. Salinas as Authority Counsel.

**FISCAL IMPACT:** None.

**ANALYSIS:** None.

**BACKGROUND:** During the Regular City Council Meeting of April 21, 2020 continued from April 14 and 15, 2020, the City Council re-organized. As such, the Public Housing Authority will re-organize accordingly.

The South Gate Housing Authority meets as needed.

**ATTACHMENT:** None.

# City of South Gate

## CITY COUNCIL AND SOUTH GATE HOUSING AUTHORITY

**RECEIVED**

# AGENDA BILL

APR 23 2020  
2:50pm

For the Regular Meeting of: April 28, 2020

**CITY OF SOUTH GATE  
OFFICE OF THE CITY MANAGER**

Originating Department: Community Development

Department Director:

*William Gonzalez*  
Joe Perez

City Manager:

*Michael Flad*  
Michael Flad

**SUBJECT: JOINT RESOLUTION APPROVING THE CITY AND HOUSING AUTHORITY COOPERATION AGREEMENT FOR 13050 PARAMOUNT BOULEVARD (APN 6264-004-900)**

**PURPOSE:** To consider the approval of the Cooperation Agreement (“Cooperation Agreement”) between the South Gate Housing Authority (“Housing Authority”) and the City of South Gate (“City”), in order to complete the acquisition of 13050 Paramount Boulevard (“Property”).

- RECOMMENDED ACTIONS:** The City Council and South Gate Housing Authority will:
- a. Adopt a Joint Resolution approving the Cooperation Agreement (Loan Agreement) between the City of South Gate and Housing Authority for the purchase of real property located at 13050 Paramount Boulevard, South Gate (APN 6264-004-900), former Rancho Market site; and
  - b. Authorize the Mayor/Chairperson to execute the Cooperation Agreement in a form acceptable to the City Attorney/Authority Counsel.

**FISCAL IMPACT:** Funds were not included in the Fiscal Year 2019/20 budget for the acquisition of 13050 Paramount Blvd. and the Housing Authority does not have enough discretionary funds available to acquire the Property. The Housing Authority funded the refundable deposit to open escrow, in the amount of \$25,000, prior to the deposit due date as outlined in the Purchase and Sale Agreement (“PSA”). The Housing Authority must borrow \$1,775,000 for the balance due to acquire the Property; \$25,000 for the deposit, \$3,000 for incidental costs associated with closing fees and other acquisition costs; and \$10,000 for two years of maintenance and operations, totaling \$1,813,000, from the City’s General Fund in the form of a loan prior to the close of escrow on the Property. If the City and Housing Authority approve the Cooperation Agreement, the Housing Authority shall receive funds, in an amount not to exceed \$1,813,000, from the City’s General Fund.

Once the Housing Authority acquires the Property, the Housing Authority would be responsible for the cost of security and maintenance. It is recommended that the Housing Authority enter



into new property maintenance agreements for fencing, security, and maintenance of the Property, and anticipates an annual cost of less than \$5,000 annually to be paid by the Housing Authority from the City’s General Fund. The total anticipated fiscal impact, inclusive of acquisition and two years of operating costs are outlined in the table below.

**Fiscal Impact of 13050 Paramount Acquisition**

<u>Expenditure Category</u>	
Balance of Purchase Price	\$1,775,000
Escrow Deposit	\$25,000
Estimated Operating Costs (2 Years)	\$10,000
Closing Fees and Other Costs	\$3,000
<b>Total Fiscal Impact</b>	<b>\$1,813,000</b>

**ALIGNMENT WITH COUNCIL GOALS:** The approval of the Cooperation Agreement supports the goal of protecting strong and sustainable neighborhoods by allowing for the acquisition of property on which high-quality affordable housing will be constructed.

**ANALYSIS:** The Los Angeles County Office of Education (“Seller”) owns the 1.32-acre parcel of land at 13050 Paramount Boulevard. The Housing Authority’s acquisition of the Property would facilitate the development of affordable housing within the Hollydale Specific Plan area in response to the acute housing crisis in the City and help fulfill a substantial housing production goal in the upcoming 6<sup>th</sup> Housing Element Cycle. Once the Housing Authority has acquired the Property, staff intends to solicit proposals from qualified affordable housing developers who would purchase and develop the Property as an affordable ownership housing project, consistent with the Specific Plan.

*Figure 1: Subject Property Map (13050 Paramount Boulevard)*





Approval of the Cooperation Agreement is vital to closing escrow and purchasing the Property for redevelopment of future affordable housing on the Property. The transaction entails a deposit by the Housing Authority, with the balance of funds paid at closing.

The negotiated acquisition cost for the Property is \$1,800,000. The Housing Authority has made a \$25,000 deposit into escrow. Incidental acquisition costs, not to exceed \$180,000 will include due diligence, fees, costs and taxes. The maximum appropriation is not to exceed \$1,813,000.

Due diligence expenditures to date associated with the acquisition include the preliminary report (\$2,500), Phase I environmental site assessment (\$2,500) and follow-up environmental agency file review (\$1,250), appraisal (\$3,500), and acquisition/real estate consulting and legal services. Because the site is currently vacant, no relocation costs will be incurred.

Prior to the contingency date on April 29, 2020, the Housing Authority will complete title, environmental and other due diligence as a condition of closing. To date, no material issues have been identified and staff anticipates waiving contingencies. If any material issues arise which require additional expenditures and/or risk, staff will confer with the City Council and Housing Authority prior to proceeding with closing. The deposit may be refunded at the request of the Housing Authority during the contingency period, or in the event of a seller default of the agreement.

Should the escrow close as scheduled, the Housing Authority would be responsible for the security and maintenance of the Property, which staff estimates would cost the Housing Authority approximately \$5,000 annually for fencing, security, and maintenance/upkeep. Staff anticipates using third party contractors to cover some of these services.

**BACKGROUND:** On October 22, 2019, the South Gate Housing Authority received a Notice of Sale of Surplus Property from the Los Angeles Board of Education, giving the Housing Authority notice of the Seller's intent to sell the Property. On December 19, 2019, the Housing Authority sent a Notice of Interest to Purchase the Property, marking the beginning of a 90-day good faith negotiating period, pursuant to Government Code Section 54223. The 90-day good faith negotiating period expired on March 18, 2020, however the parties were nearing an agreement and verbal extension was granted. The Housing Authority approved the PSA on March 24, 2020. The LACOE Board of Education subsequently approved the PSA on April 7, 2020, and escrow opened on April 10, 2020. Escrow is scheduled to close on May 11, 2020.

The enclosed Cooperation Agreement will facilitate the acquisition of the Property.

#### Redevelopment Program

As stated earlier, the ultimate purpose of the acquisition is to facilitate the redevelopment of this property. Once the Housing Authority secures ownership of the Property, the Housing Authority intends to solicit proposals from qualified developers who would like to purchase the Property and develop an affordable for-sale housing project.

#### Schedule

Under the proposed PSA, the Housing Authority has certain timeframes during which to perform and complete due diligence. Escrow was opened within 5 business days of approval of the PSA by the Seller, and the \$25,000 purchase deposit was made by the Housing Authority within 7

business days of opening escrow. According to the schedule outlined in the PSA, the Housing Authority would waive contingencies within 8 days of opening escrow. Because all necessary due diligence is substantially complete, the abbreviated timeframe does not present an issue. To date, all due diligence findings are satisfactory, and escrow is scheduled to close on May 11, 2020. If any delays occur, the Housing Authority or Seller may elect to extend escrow by 15-days.

**ATTACHMENTS:** A. Proposed Joint Resolution, including proposed Cooperation Agreement  
B. Purchase and Sale Agreement  
C. March 24, 2020 Agenda Bill

CITY COUNCIL RESOLUTION NO. \_\_\_\_\_  
SOUTH GATE HOUSING AUTHORITY RESOLUTION NO. \_\_\_\_\_

CITY OF SOUTH GATE  
LOS ANGELES COUNTY, CALIFORNIA

JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
SOUTH GATE, CALIFORNIA, AND THE SOUTH GATE HOUSING  
AUTHORITY OF THE CITY OF SOUTH GATE APPROVING A  
COOPERATION AGREEMENT (LOAN AGREEMENT) BETWEEN  
THE SOUTH GATE HOUSING AUTHORITY AND THE CITY OF  
SOUTH GATE FOR THE PURCHASE REAL PROPERTY  
LOCATED AT 13050 PARAMOUNT BOULEVARD, SOUTH GATE  
(APN 6264-004-900), FORMER RANCHO MARKET SITE

**WHEREAS**, the City of South Gate ("City") is a California municipal corporation;  
and

**WHEREAS**, the City of South Gate Housing Authority ("Housing Authority")  
Authority is a public body, corporate and politic, formed, organized, existing, and  
exercising its powers pursuant to the California Housing Authorities Law, Health and  
Safety Code Section 34200, et seq., and has been authorized to transact business  
pursuant to action of the City Council of the City; and

**WHEREAS**, the Housing Authority approved a Purchase and Sale Agreement  
("PSA") on March 24, 2020 and the Los Angeles County Office of Education ("LACOE")  
approved the PSA on April 7, 2020 for the purchase of a ~1.32 acre property located at  
13050 Paramount Boulevard, South Gate (APN 6264-004-900) ("Property") from LACOE;  
and

**WHEREAS**, the Housing Authority approved the appropriation of \$25,000 from the  
LAIF for the refundable deposit of \$25,000 out of the total \$1,800,000 acquisition price  
for the Property; and

**WHEREAS**, the remaining balance of the acquisition price for the Property is  
\$1,775,000; and

**WHEREAS**, the operations and maintenance for the Property is expected to cost  
approximately \$5,000 per year, or \$10,000 over two years; and

**WHEREAS**, escrow for the purchase of the Property is scheduled to close on May  
11, 2020; and

**WHEREAS**, closing fees and other costs are expected to increase the total cost of  
acquisition by \$3,000; and

**WHEREAS**, the City and the Housing Authority desire to enter into an agreement  
in order to:

- (1) Appropriate funds from the City General Fund to the Housing Authority in an amount not to exceed \$1,813,000 to facilitate the purchase of the Property; and
- (2) Provided that the Housing Authority will repay to the City the full amount of the appropriated funds upon the resale of the Property for the purposes of affordable housing development at a later date.

**NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF SOUTH GATE:**

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

Section 2. The Housing Authority hereby approves the Agreement in substantially the form attached hereto as Attachment "1", which is fully incorporated by this reference. The Housing Authority's Executive Director and Recording Secretary (who are also the City Manager and City Clerk, respectively) are authorized to execute and attest the Agreement with such revisions as the Executive Director and Authority 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 Authority under the Agreement. A copy of the Agreement when fully executed shall be placed on file in the office of the Recording Secretary.

[Remainder of page left blank intentionally.]

Section 3. The City hereby appropriates \$1,813,000 from the City's General Fund for the acquisition and incidental costs associated with the purchase of the Property from LACOE, as described in the accompanying agenda bill.

Section 4. The Chair of the Housing Authority shall sign the passage and adoption of this Resolution and thereupon the same shall take effect and be in force.

Section 5. The Secretary shall certify to the adoption of this resolution.

**PASSED, APPROVED AND ADOPTED** this 28th day of April 2020.

**CITY OF SOUTH GATE:  
SOUTH GATE HOUSING AUTHORITY:**

---

Maria Davila, Mayor/Chairperson


**ATTEST:**

---

Carmen Avalos, City Clerk/Recording Secretary

(SEAL)

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Raul F. Salinas, City Attorney/Authority Counsel  
City of South Gate  
Housing Authority of the City of South Gate



**ATTACHMENT 1**  
**COOPERATION AGREEMENT**

[to be attached]

## COOPERATION AGREEMENT

(City/Housing Authority Loan Agreement)

This Cooperation Agreement (City/Housing Authority Loan Agreement) (this "Agreement") is entered into as of April 28, 2020, by and between the City of South Gate, a municipal corporation ("City") and the City of South Gate Housing Authority, a public body, corporate and politic ("Housing Authority").

### RECITALS

- A. The City is a municipal corporation operating under the laws of the State of California.
- B. The Housing Authority is a public body, corporate and politic, formed, organized, existing, and exercising its powers pursuant to the California Housing Authorities Law, Health and Safety Code Section 34200, et seq., and has been authorized to transact business pursuant to action of the City Council of the City. The Housing Authority is and shall remain as a separate public body, corporate and politic, exercising governmental functions and performing a public function of the City.
- C. Pursuant to Government Code Section 54220, the Housing Authority is in the process of purchasing Surplus Land from the Los Angeles County Board of Education, acting by and through the Los Angeles County Office of Education ("LACOE").
- D. The Housing Authority approved Resolution 2020-02-HA on March 24, 2020, approving the Purchase and Sale Agreement between the Housing Authority, as Buyer, and LACOE, as Seller (the "Purchase and Sale Agreement"), for the real property located at 13050 Paramount Blvd, South Gate, California (Assessors Parcel Number 6264-004-900) (the "Property"), for an all-cash purchase price of \$1,800,000.
- E. The LACOE Board of Education approved the Purchase and Sale Agreement on April 7, 2020. The Housing Authority and LACOE opened an escrow for the sale and purchase of the Property on or about April 13, 2020. As provided in the Purchase and Sale Agreement, the Housing Authority submitted a \$25,000 deposit into escrow.
- F. The estimated costs of maintaining and operating the Property is \$5,000 annually. The Loan Amount includes the estimated costs associated with two years of operations.
- G. The estimated closing fee and other costs associated with the Property acquisition is \$3,000. The Loan Amount includes the estimated closing fees and other costs.
- H. This Agreement will enable the Housing Authority to complete the acquisition of the Property. Without approval of this Agreement, the Housing Authority will be unable to finance the purchase of the Property.
- I. This Agreement is consistent with the objective of the City and the Housing Authority to further the goals outlined in the Hollydale Village Specific Plan ("Specific Plan"), adopted by the City Council on June 27, 2017, including but not limited to creating a range of housing opportunities and choices, encourage good design and high quality

development within the Specific Plan area, improve quality of life for current and future residents with improvements to the pedestrian experience in the public realm, and promote sustainable practices and "green" streets.

- J. The Specific Plan designates the Property as a part of the Hollydale Mixed Use (HMU2). The HMU2 zone is an Urban Mixed Use zone that is intended to provide commercial and residential development, with an emphasis on employment generating uses and residential infill development along Paramount Boulevard.
- K. The City and Housing Authority expect that the acquisition of the Property will support construction of high quality affordable housing.
- L. The acquisition of the Property supports the City and Housing Authority goal of protecting strong and sustainable neighborhoods.
- M. This Agreement supports the City's Comprehensive Economic Development Strategy (2018) by making a concerted effort to assure that economic growth remains in line with community aspirations and goals, including maintaining an adequate supply of affordable housing stock and assuring the development of affordable housing.
- N. Promptly following its acquisition of the Property, the Housing Authority intends to select a third-party affordable housing developer who will purchase and take possession of the Property for the development of multi-family affordable housing thereon in furtherance of the City's goal to maintain an adequate supply of affordable housing stock.
- O. The resale of the Property to a third-party affordable housing developer for the development of affordable multi-family housing thereon will provide the funds to the Housing Authority for repayment of the Authority Loan to the City.
- P. The foregoing Recitals are true and correct and constitute a substantive part of this Agreement.

## AGREEMENT

NOW THEREFORE, in consideration of the above Recitals and all of the covenants and conditions set forth in this Agreement, the City and Housing Authority agree as follows:

1. Loan Agreement. The City hereby agrees to make a loan to the Housing Authority, and the Housing Authority hereby agrees to borrow from the City, an amount not to exceed One Million Eight Hundred Thirteen Thousand Dollars (\$1,813,000), the proceeds of which loan the Housing Authority agrees to use for the purchase of the Property plus all necessary fees, costs and taxes associated with the acquisition, or so much of such amount as is actually disbursed to the Housing Authority pursuant to this Agreement ("Authority Loan").

CITY OF SOUTH GATE  
CITY OF SOUTH GATE HOUSING AUTHORITY

- a. Interest. From and after the date of initial disbursement, the principal amount of the Authority Loan outstanding from time to time shall accrue simple interest at the Local Agency Investment Fund interest rate ("Interest"), pursuant to Government Code Section 16429.1, et seq., as computed by the City Treasurer, until fully paid.
  - b. Loan Amount. The Loan Amount of the Authority Loan shall include the original Principal amount, not to exceed ONE MILLION EIGHT HUNDRED THIRTEEN THOUSAND DOLLARS (\$1,813,000) plus accrued interest (together, the "Loan Amount")
2. Disbursement of Authority Loan Principal. The City shall disburse proceeds of the Authority Loan to the Housing Authority sufficient to meet all financial obligations associated with the close of escrow for the Property, not less than four (4) business days prior to the scheduled Closing Date, as described in Section 7.2.2 of the Purchase and Sale Agreement. The Housing Authority shall give notice to the City of the scheduled Closing Date not less than six (6) business days prior thereto. For the purpose of this Agreement, business days shall include Monday, Tuesday, Wednesday and Thursday, and shall exclude Fridays and holidays as defined by the California Secretary of State.
  3. Repayment of Authority Loan. The Housing Authority shall repay the entire principal amount outstanding under the Authority Loan, together with all accrued but unpaid interest thereon, to the City promptly upon the closing of the resale of the Property to a third-party affordable housing developer.
4. General Provisions
    - a. Approvals and Actions.
      - i. City shall maintain authority of this Agreement and the authority to implement this Agreement through the City's Executive Director or his or her duly authorized representative ("Executive Director"). The Executive Director shall have the authority to make approvals, issue interpretations, waive provisions, and/or enter into certain amendments of this Agreement on behalf of the City so long as such actions do not add to the costs incurred or to be incurred by the City as specified herein, and such approvals, interpretations, waivers, and/or amendments may include extensions of the time to perform.
      - ii. The Housing Authority shall maintain authority of this Agreement and the authority to implement this Agreement through the Community Development Director, or his or her duly authorized representative. The Community Development Director shall have the authority to make approvals, issue interpretations, waive provisions, and/or enter into certain amendments of this Agreement on behalf of the Housing Authority

so long as such actions do not add to the costs incurred or to be incurred by the Housing Authority as specified herein, and such approvals, interpretations, waivers, and/or amendments may include extensions of time to perform.

- b. Default. The obligations set forth in this Agreement will be contractual obligations that, if breached, will subject the defaulting party to damages and other liabilities or remedies. If either party fails to perform an obligation required to be performed by such party under this Agreement within seven (7) business days of receiving written notice from the non-defaulting party, the party failing to perform shall be in default hereunder. In the event of default, the non-defaulting party will have all the rights and remedies available to it at law or in equity to enforce the provisions of this contract, including without limitation the right to sue for damages or breach of contract. The rights and remedies of the non-defaulting party enumerated in this paragraph are cumulative and shall not limit the non-defaulting party's rights under any other provision of this Agreement or hereinafter enacted or established that may be available to the non-defaulting party against the defaulting party. All notices of default shall clearly indicate a notice of default under this Agreement.
- c. Attorneys' Fees. In the event of any action to enforce the terms and provisions of this Agreement, the prevailing party shall be entitled to recover its actual attorneys' fees, expert witness fees and costs of litigation from the other party, including but without limitation, any post judgement fees, costs, or expenses incurred on any appeal or in collection of any judgement.
- d. Modifications. Any alteration, change, or modification of or to this Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each party.
- e. Cooperation. Each party agrees to cooperate with the other in this transaction and, in that regard, to sign any and all documents which may be reasonably necessary, helpful, or appropriate to carry out the purposes and intent of this Agreement including, but not limited to, releases or additional agreements.
- f. Term of Agreement. This Agreement shall be in full force and effect commencing on the Date of Agreement. This Agreement shall terminate upon repayment to the City of the entire outstanding balance, inclusive of principal and all accrued but unpaid interest, of the Authority Loan.
- g. Binding on Successors. This Agreement shall be binding on and shall inure to the benefit of all successors and assigns of the parties, whether by agreement or operation of law.



- h. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.
- i. Entire Agreement. This Agreement constitutes an entire agreement by and between the parties with respect to the subject matter of this Agreement, and may be amended only in writing.
- j. Severability. If any term, provision, condition or covenant of this Agreement or its application to any party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Agreement, or the application of the term, provision, condition, or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.
- k. No Third Party Beneficiaries. The terms and provisions of this Agreement are for the benefit of the City and Housing Authority and not for the benefit of any other person or entity.

[Signatures of the parties on the following page.]

CITY OF SOUTH GATE  
CITY OF SOUTH GATE HOUSING AUTHORITY

IN WITNESS WHEREOF, the City and Authority have executed this Cooperation Agreement (City/Housing Authority Loan Agreement) as of the date first set forth above.

CITY:

CITY OF SOUTH GATE, a municipal corporation

By: \_\_\_\_\_

Maria Davila, Mayor

Dated: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_

Carmen Avalos, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: Raul F. Salinas / RFS

Raul F. Salinas, City Attorney

HOUSING AUTHORITY:

CITY OF SOUTH GATE HOUSING AUTHORITY, a public body, corporate and politic

By: \_\_\_\_\_

Maria Davila, Chairperson

Dated: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_

Carmen Avalos, Recording Secretary

(SEAL)

APPROVED AS TO FORM:

By: Raul F. Salinas / RFS

Raul F. Salinas, Authority Counsel

**PURCHASE AND SALE AGREEMENT FOR THE PROPERTY  
LOCATED AT 13050 PARAMOUNT BOULEVARD, SOUTH GATE, CALIFORNIA**

This Purchase and Sale Agreement for the property located at 13050 Paramount Boulevard, South Gate, California ("Agreement") is made and entered into and made effective as of the date of the last signature below (the "Effective Date"), between the Los Angeles County Board of Education, a public body, corporate and politic ("Seller") and the South Gate Housing Authority, a public body, corporate and politic ("Buyer"). Seller and Buyer are sometimes individually referred to as a "Party" and collectively as the "Parties."

**RECITALS**

A. Seller is the owner of certain real property located in the City of South Gate, County of Los Angeles, State of California, consisting of an approximately 1.32-acre parcel of land, Assessor's Parcel Number 6264-004-900, and being more particularly described in Exhibit "A" attached hereto (the "Land").

B. The Land is improved by a single-story building commonly known as 13050 Paramount Boulevard, South Gate, California (the "Building"), containing approximately 18,090 square feet, together with the related improvements, appurtenances, and certain related intangible property. The Building is currently vacant and unoccupied. While the approximate square footage of the land and building have been used in the discussions for the purchase of the real property, the Purchase Price is not tied to the square footage and is not subject to adjustment should the actual size be determined to be different.

C. Seller acknowledges that Buyer is a public agency and Buyer desires to purchase the Property, including the Land and the Building, and Seller agrees to sell the Property to Buyer as specifically described below.

**AGREEMENTS**

**ARTICLE 1  
AGREEMENT OF SALE**

1.1. Purchase and Sale. For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, all of Seller's right, title and interest in and to the Property described below in Section 1.2, under the terms and conditions of this Agreement.

1.2. Description of the Property. The property to be sold and purchased under this Agreement consists of all of the following (collectively referred to as the "Property"):

1.2.1. Land. The Land described in Recital A.

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

1.2.3. Improvements. The Building described in Recital B and all other buildings, structures, pylon sign, parking areas, or improvements located upon the Land or upon the Improvements, including fixtures, systems, and equipment attached to the Land or Improvements and used in connection with the operation or occupancy of the Land and Improvements (such as heating and air-conditioning systems, refrigeration, ventilation, garbage disposal, or utility conduits) (collectively, the "Improvements").

1.2.4 Personal Property. All personal property, fixtures and equipment owned by Seller located on or in or used in connection with the Land and Improvements as of the date hereof and as of the Closing Date, but specifically excluding the personal property listed on Exhibit "D" attached hereto, the List of Excluded Personal Property, which shall be the property of Seller and shall be removed from the Property prior to Closing.

1.2.5 Intangible Property. Any intangible personal property now or hereafter owned by Seller and used in the ownership, use or operation of the Land, Improvements and Personal Property, including, without limitation, any and all guaranties, warranties, indemnities, licenses, permits, plans, specifications and similar documents and rights, together with Seller's interest in all utility contracts or other agreements or rights relating to the ownership, use and operation of the Land, Improvements and Personal Property.

1.3. Definitions. As used in this Agreement, the following terms have the following meanings:

"Additional Encumbrances" is defined in Section 3.4.4 of this Agreement.

"Appurtenances" is defined in Section 1.2.2 of this Agreement.

"Assignment" is defined in Section 7.3.2 of this Agreement.

"Broker" is defined in Section 7.9 of this Agreement.

"Building" is defined in Recital B of this Agreement.

"Business day" is defined in Section 10.6 of this Agreement.

"Buyer's Closing Conditions" is defined in Section 6.1 of this Agreement.

"Buyer's Election Notice" is defined in Section 3.4.3 of this Agreement.

"Buyer's Title Notice" is defined in Section 3.4.1 of this Agreement.

"Buyer's Representatives" is defined in Section 3.6.2 of this Agreement.

"Closing" is defined in Section 7.2.1 of this Agreement.

"Closing Date" is defined in Section 7.2.2 of this Agreement.

"Condemnation" is defined in Section 8.1 of this Agreement.

"Contingency" and "Contingencies" are defined in Section 3.7 of this Agreement.

"Contingency Date" is defined in Section 3.2 of this Agreement.

“Deed” is defined in Section 6.1.1 of this Agreement.

“Deposit” is defined in Section 2.2.1 of this Agreement.

“Due Diligence” is defined in Section 3.6.1 of this Agreement.

“Effective Date” is defined in the opening paragraph of this Agreement.

“Escrow” is defined in Section 2.2.1 of this Agreement.

“Escrow Holder” is defined in Section 2.2.1 of this Agreement.

“Escrow Opening Date” is defined in Section 7.1 of this Agreement.

“Hazardous Materials Laws” is defined in Section 5.1.10 of this Agreement.

“Improvements” is defined in Section 1.2.3 of this Agreement.

“Indemnifying Party” is defined in Section 7.9 of this Agreement.

“Land” is defined in Recital A of this Agreement.

“Nonforeign Certification” is defined in Section 7.3.3 of this Agreement.

“Nonindemnifying Party” is defined in Section 7.9 of this Agreement.

“Permitted Exceptions” is defined in Section 3.4.1 of this Agreement.

“Preliminary Documents” is defined in Section 3.1 of this Agreement.

“Preliminary Document Date” is defined in Section 3.1 of this Agreement.

“Preliminary Report” is defined in Section 3.1.1 of this Agreement.

“Property” is defined in Section 1.2 of this Agreement.

“Purchase Price” is defined in Section 2.1 of this Agreement.

“Seller’s Closing Conditions” is defined in Section 6.2 of this Agreement.

“Seller’s Title Notice” is defined in Section 3.4.2 of this Agreement.

“Title Company” is defined in Section 3.1.1 of this Agreement.

“Title Objections” is defined in Section 3.4.1 of this Agreement.

“Title Policy” is defined in Section 6.1.1 of this Agreement.

**ARTICLE 2**  
**PURCHASE PRICE**



2.1. Amount. The full purchase price ("Purchase Price") for the Property is ONE MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$1,800,000), and is payable in accordance with this Article 2.

2.2. Deposit.

2.2.1. Deposit. Within seven (7) business days after the Escrow Opening Date, as a deposit against the Purchase Price, Buyer must deposit TWENTY-FIVE THOUSAND DOLLARS (\$25,000) ("Deposit") into an escrow ("Escrow") to be opened with Orange Coast Title Company, 1551 N. Tustin Avenue, Suite 300, Santa Ana, California 92705 ("Escrow Holder").

2.2.2. Requirements for Deposit. Buyer may make the Deposit in cash, or by check payable to the Escrow Holder, or by electronic transfer of federal funds. On the Closing Date (defined in Section 7.2.2), the entire amount of the Deposit shall be credited against the Purchase Price. If this Agreement terminates for any reason other than Buyer's default, the Escrow Holder must refund the Deposit to Buyer.

2.3. Payment of Balance. Buyer agrees to pay, or cause to be paid, the balance of the Purchase Price to Seller through the Escrow by depositing cash or a certified or cashier's check payable to the Escrow Holder, or by electronic transfer of federal funds, which must be delivered to the Escrow Holder at least one (1) business day before the Closing Date (defined in Section 7.2.2).

### ARTICLE 3 BUYER'S CONTINGENCIES

3.1. Seller's Delivery of Documents. Seller shall deliver to Buyer all documents listed below (collectively, "Preliminary Documents") not later than four (4) business days after the Escrow Opening Date ("Preliminary Document Date"). Failure by Seller to deliver the Preliminary Documents by the Preliminary Document Date will extend the Contingency Date (as defined in Section 3.2) by one (1) business day for every one (1) business day thereafter that the last such Preliminary Document is delivered.

3.1.1. Preliminary Report. A preliminary report ("Preliminary Report") dated no earlier than thirty (30) days before the Effective Date covering the Property and issued by Orange Coast Title Company, 1551 N. Tustin Avenue, Suite 300, Santa Ana, California 92705 ("Title Company"), together with a legible copy (as reasonably obtainable) of all exceptions to title shown in the Preliminary Report, including each document, map, and survey referred to in the Preliminary Report.

3.1.2. Surveys. Any survey of the Property in Seller's possession or control.

3.1.3. Agreements. Copies of all unrecorded leases, rental agreements, tenant rolls, written easements, covenants, restrictions, agreements, service contracts, and other documents that affect the Property and that will continue to affect the Property after Closing.

3.1.4. Licenses and Permits. Copies of any governmental licenses, permits, or certificates issued in connection with construction or occupancy of the Improvements, including without limitation building permits, certificates of completion, certificates of occupancy, and environmental permits and licenses, that are in Seller's possession or control.

3.1.5. Plans. Copies of any existing construction drawings, as-built plans, and specifications for the Property that are in Seller's possession or control.

3.1.6. Materials Related to Condition of the Property. Any environmental impact reports, "Phase I" or "Phase II" reports, or environmental site assessments concerning hazardous materials on the Property, complaints or notices of the presence of hazardous materials on the Property, geological surveys, soil tests, engineering reports, inspection results, complaints, or notices received from any person or governmental agency regarding the safety of the Property, to the extent such documents are in Sellers' possession or control.

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

3.2. Buyer's Approval of Preliminary Documents. Buyer's obligation to purchase the Property is expressly conditioned on its approval, in its sole discretion, of the matters disclosed in the Preliminary Documents. Buyer will have until the date that is four (4) business days after the Preliminary Document Date ("Contingency Date") to review the Preliminary Documents and to decide whether to approve the matters disclosed in the Preliminary Documents. On or before the Contingency Date, Buyer will deliver written notice to Seller either accepting the matters disclosed in the Preliminary Documents or terminating this Agreement. If Buyer fails to give such notice on or before the Contingency Date, Buyer will be deemed to have elected to terminate this Agreement.

3.3. Intentionally Omitted.

3.4. Approval of Title. Buyer's obligation to purchase the Property is expressly conditioned on Buyer's approval, in its sole discretion, of the condition of title of the Property in accordance with the following procedure:

3.4.1. Permitted Exceptions. The following exceptions shown on the Preliminary Report are permitted ("Permitted Exceptions"): (a) exceptions for a lien for local real estate taxes and assessments not yet due or payable; (b) the standard preprinted exceptions and exclusions of the Title Company; (c) any other exception shown on the Preliminary Report, other than exceptions for monetary liens, which Buyer does not object to by delivery of written notice to Seller on or before the Contingency Date ("Buyer's Title Notice"), or as otherwise provided in this Section 3.4. All exceptions on the Preliminary Report other than the Permitted Exceptions will be "Title Objections." If Buyer fails to deliver Buyer's Title Notice within the time specified in this Section 3.4, Buyer will be deemed to have elected to proceed with the purchase of the Property, waive such Title Objection, and accept the exception shown in the Preliminary Report as a Permitted Exception.

3.4.2. Title Objections. With respect to any Title Objection, Seller will have four (4) business days after receipt of Buyer's Title Notice to give notice to Buyer in writing ("Seller's Title Notice"), stating either (a) the manner in which Seller will remove or cure such Title Objection or (b) that Seller will not remove or cure such Title Objection. If Seller fails to deliver Seller's Title Notice within the time specified in this Section 3.4, Seller will be deemed to have elected not to remove or cure such Title Objection. Despite the foregoing, Seller agrees to remove all liens securing the payment of money that encumber the Property.



3.4.3. Seller Elects Not to Cure. If Seller elects not to cure or remove a Title Objection (or is deemed to have so elected), then Buyer, not later than four (4) business days prior to the Closing Date, shall deliver a written notice to Seller ("Buyer's Election Notice") of Buyer's election either to (a) proceed with the purchase of the Property, waive such Title Objection, and accept the exception shown in the Preliminary Report as a Permitted Exception, or (b) terminate this Agreement. If Buyer fails to deliver Buyer's Election Notice within the time specified in this Section 3.4, Buyer will be deemed to have elected to proceed with the purchase of the Property, waive such Title Objection, and accept the exception shown in the Preliminary Report as a Permitted Exception.

3.4.4. Additional Encumbrances. If any encumbrance or other exception to title arises or is discovered after the delivery of the Preliminary Report ("Additional Encumbrance"), the Party discovering such Additional Encumbrance must promptly give written notice to the other Party. No later than five (5) business days after receipt of the notice of such Additional Encumbrance, Buyer will deliver a new Buyer's Title Notice to Seller specifying whether the Additional Encumbrance is a Title Objection or a Permitted Exception. If Buyer objects to the Additional Encumbrance, the parties will proceed in the same manner as set forth above for Title Objections arising from the Preliminary Report. If Buyer fails to deliver Buyer's Election Notice within the time specified in this Section 3.4, Buyer will be deemed to have elected to proceed with the purchase of the Property, waive such Title Objection, and accept the exception shown in the Preliminary Report as a Permitted Exception.

3.4.5. Seller's Failure to Remove Title Objection. If Seller is obligated or elects to cure or remove a Title Objection and fails to do so at least three (3) business days before the Closing Date, or fails to show that it will be able to do so on Closing, then Seller will be in default under this Agreement, and Buyer will have all its rights and remedies provided by this Agreement.

3.5 Intentionally Omitted.

3.6. Review of Preliminary Documents and Physical Condition.

3.6.1. Due Diligence. Buyer's obligation to purchase the Property is expressly conditioned on its approval, in its sole discretion, of the condition of the Property and all other matters concerning the Property, including without limitation economic, financial, and accounting matters relating to or affecting the Property or its value, and the physical and environmental condition of the Property. Buyer will have until the Contingency Date to conduct such investigations as Buyer may choose ("Due Diligence") to determine, in its sole discretion, whether this contingency is met. On or before the Contingency Date, Buyer will deliver written notice to Seller accepting the Property or terminating this Agreement. If Buyer fails to give such notice on or before the Contingency Date, Buyer will be deemed to have waived such Contingency and elected to proceed with the purchase of the Property.

3.6.2. Access to Property. As part of its Due Diligence, Buyer may investigate economic, financial, and accounting matters relating to or affecting the Property or its value, and conduct inspections, tests, and studies with respect to the physical and environmental condition of the Property. Buyer and Buyer's consultants, agents, engineers, inspectors, contractors, and employees ("Buyer's Representatives") must be given reasonable access to the Property during regular business hours for the purpose of performing such Due Diligence. Buyer will undertake the Due Diligence at its sole cost and expense. Buyer will indemnify and hold Seller harmless from all claims (including claims of lien for work or labor performed or materials or supplies furnished), demands, liabilities, losses, damages, costs, fees, and expenses, including Seller's reasonable attorneys' fees, costs, and expenses, arising from the acts or activities of Buyer or

Buyer's Representatives while conducting any investigation on or about the Property during or arising in connection with Buyer's physical inspections of the Property. Buyer will conduct its inspections with due regard to the rights and operations of existing occupants, and will use reasonable care and make reasonable accommodations to avoid any damage or interruption to the existing occupants. Buyer will repair any damage caused by its inspections. Notwithstanding anything hereunder to the contrary, in no event shall Buyer be liable to Seller for (i) any injury or damage to, or interference with, Seller's business (including, but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use) or (ii) any other consequential or special damages.

3.7. Termination for Failure of a Contingency. If this Agreement is terminated or deemed to be terminated for failure of any of Sections 3.1 through 3.6, inclusive, of this Article 3 (each, a "Contingency"; together, the "Contingencies"), then immediately on written notice from Buyer, Escrow Holder must refund the Deposit to Buyer without offset for any charges or claims. Any cancellation fee or other costs of the Escrow Holder or the Title Company resulting from this termination for failure of a Contingency will be borne equally by Seller and Buyer, and each Party must pay its own expenses.

#### **ARTICLE 4 SELLER'S PRE-CLOSING COVENANTS**

4.1. No Amendments or Agreements. On or after the Effective Date, Seller will not (a) amend or waive any right under any Preliminary Document or (b) enter into any lease or other agreement of any type affecting the Property that would survive the Closing Date, without Buyer's prior written consent. Before the Contingency Date, Buyer may not unreasonably withhold its consent under this Section 4.1; after the Contingency Date, however, Buyer will have sole discretion in all such matters.

4.2. Insurance. Through the Closing Date, Seller must maintain or cause to be maintained in full force and effect comprehensive general liability casualty and other insurance on the Property in an amount not less than the full replacement cost of the Improvements. Seller may satisfy this Section 4.2 through a program of self-insurance or a blanket policy(ies) covering other properties owned by Seller.

4.3. Maintenance and Operation. Seller, at its sole cost and expense, must use reasonable efforts to maintain and keep the Property such that on the Closing Date the Property is in at least as good condition and repair as on the Effective Date, reasonable wear and tear excepted. Seller will not give its permission or consent for any material alterations to the Property by a tenant, and will not itself make any material alterations, without Buyer's prior written consent.

4.4. Mechanics' Liens. On or before the Closing, if required by the Title Company, Seller must provide the Title Company with such indemnifications or security as it may require to insure title to the Property at the Closing without exception for any unrecorded labor, materialmen's, or mechanics' claim of lien other than such matters as may result from Buyer's activities.

4.5. Access to Property. Buyer and Buyer's representatives, agents, and designees will have the right at all reasonable times until Closing to enter the Property as provided in Section 3.6.2.

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



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

## ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1. Seller's Representations and Warranties. Seller hereby represents and warrants that each of the following is true as of the Effective Date and will be true as of the Closing Date, unless Seller has notified Buyer otherwise in writing promptly after the discovery of facts making any of the following untrue:

5.1.1. Documents. All Preliminary Documents delivered to Buyer under Section 3.1, and all other documents delivered to Buyer by or on behalf of Seller, are true, correct, and complete copies of what they purport to be.

5.1.2. Litigation. Seller does not know of any pending or threatened litigation the adverse determination of which would challenge the validity of or otherwise materially adversely affects the transactions contemplated by this Agreement. Seller has not been advised in writing of a threat to institute such litigation.

5.1.3. Governmental Action. Seller has no knowledge of, nor has Seller received written notice of, any plan, study, or effort by any agency or third party that in any way would materially affect the use of the Property or any portion of it for its current use, or of any intended public improvements that would result in any charge being levied against, or any lien assessed on, the Property. Seller has no knowledge of any existing, proposed, or contemplated plan to widen, modify, or realign any street or highway contiguous to the Property.

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

5.1.5. Utilities. To the best of Seller's knowledge, all water, sewer, gas, electric, telephone, drainage facilities, and all other utilities required by law or by the normal operation of the Property are adequate to service the Property in its current condition.

5.1.6. Due Authorization. This Agreement and the performance of Seller's obligations under it and all documents executed by Seller that are to be delivered to Buyer at the Closing are, or on the Closing Date will be, duly authorized, executed, and delivered by Seller and are, or at the Closing Date will be, legal, valid, and binding obligations of Seller, and do not, and on the Closing Date will not, violate any provision of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject. No consent of any third party is required for Seller to enter into or to perform Seller's obligations under this Agreement, except as has already been obtained.

5.1.7. Title to the Property. Seller has good and marketable title to the Property subject to exceptions of record and as may be disclosed by an inspection of the Property. To the best of Seller's knowledge, there are no unrecorded or undisclosed legal or equitable interest in the Property owned or claimed by anyone other than Seller. Seller represents and warrants that no one will, at the Closing, have any right to possession of the Property, except as otherwise agreed to in writing to Buyer.



5.1.8. Hazardous Wastes. Seller has disclosed to Buyer, on or before the Preliminary Document Date, any previous written professional reports described in Section 3.1.6. In addition, Seller represents and warrants to Buyer, that (i) to Seller's current actual knowledge without duty of investigation, as of the Effective Date, the Property is in compliance with all Hazardous Materials Laws and (ii) Seller has no current actual knowledge of any claim having been made by any governmental agency that a violation of the Hazardous Materials Laws exists with regard to the Property of the Effective Date. Without limiting the foregoing, Buyer may make its own investigation of compliance with or violation of any federal, state, or local law, ordinance, or regulation relating to industrial hygiene or to the environmental conditions on, under, or about the Property, including but not limited to soil and groundwater conditions, and environmental, health, or safety hazards on, under, or about the Property, including but not limited to soil and groundwater conditions and/or any underground tank, and/or whether any person has used, generated, manufactured, treated, stored, placed, deposited, or disposed of on, under, or about the Property or transported to or from the Property any flammable explosives, radioactive materials, hazardous wastes, toxic substances, or related materials ("Hazardous Materials"), which for purposes of this Agreement include, but are not limited to, substances defined as "hazardous substances," "hazardous materials," "toxic substances" or "hazardous wastes" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 United States Code §9601 *et seq.*); the Hazardous Materials Transportation Safety and Security Reauthorization Act (49 United States Code §5101 *et seq.*); the Resource Conservation and Recovery Act (42 United States Code §6901 *et seq.*); substances defined as "hazardous wastes" in California Health and Safety Code §25117 or as "hazardous substances" in California Health and Safety Code §25316; and chemicals known to cause cancer or reproductive toxicity as published in the Safe Drinking Water and Toxic Enforcement Act of 1986 (California Health and Safety Code §25249.5 *et seq.*); and in the regulations adopted and publications promulgated under each of the aforesaid laws (collectively, the "Hazardous Materials Laws"). If this Agreement is terminated for any reason before the Closing, Buyer shall provide copies to Seller of any environmental site assessment reports (i.e., Phase I Environmental Site Assessment) caused to be performed by Buyer about the Property pursuant to this Section 5.1.8 within five (5) business days after the date of such termination. Except as to disclosure of prior written professional reports as described in Section 3.1.6 and except for Seller's representations and warranties herein, the Property shall be taken by Buyer in its AS-IS condition in regard to Hazardous Materials and all matters described above in this Section.

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

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

5.2.1. Due Authorization. This Agreement and the performance of Buyer's obligations under it and all the documents executed by Buyer that are to be delivered to Seller at the Closing on the Closing Date will be duly authorized, executed, and delivered by Buyer and at the Closing Date will be, legal, valid, and binding obligations of Buyer, and on the Closing Date will not violate any provisions of any agreement or judicial order to which Buyer is a party or to which Buyer is subject. No consent of any third party is required for Buyer to enter into or to perform Buyer's obligations under this Agreement, except as has already been obtained.

5.3. Effect of Representations and Warranties. Each representation and warranty made by Buyer in this Article 5 (a) is material and being relied on by Seller. (b) is true in all respects as of the Effective Date, (c) must be true in all respects on the Closing Date, and (d) will survive the Closing, except as otherwise provided in this Agreement.

5.4. "As Is" Purchase. EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, BUYER HAS AGREED TO AND DOES PURCHASE THE PROPERTY AND ACCEPT POSSESSION OF THE PROPERTY ON THE CLOSING DATE ON AN "AS IS" BASIS.

## ARTICLE 6 CLOSING CONDITIONS

6.1. Buyer's Closing Conditions. All obligations of Buyer under this Agreement are subject to the fulfillment, determined in Buyer's sole and absolute discretion, before or at the Closing, of each of the following conditions ("Buyer's Closing Conditions"). Buyer's Closing Conditions are solely for Buyer's benefit and any or all of Buyer's Closing Conditions may be waived in writing by Buyer in whole or in part without prior notice.

6.1.1. Title. It is a Buyer's Closing Condition that, on the Closing Date, Seller convey to Buyer marketable and insurable title to the Property by execution and delivery of a grant deed in the form attached to this Agreement as Exhibit B ("Deed") and cause to be delivered to Buyer from the Title Company an ALTA Owner's Extended Coverage Policy of Title Insurance with liability in the full amount of the Purchase Price, insuring title to the Property to be vested in Buyer, subject only to the Permitted Exceptions ("Title Policy"). The Title Policy must also include such special endorsements or guaranties as Buyer may request and the Title Company agrees to provide, which special endorsements or guaranties shall be at Buyer's sole cost and expense. Seller must deliver to the Title Company such instruments, documents, releases, and agreements and must perform such other acts as Title Company may reasonably require in order to issue the Title Policy.

6.1.2. Liens. Buyer must have received a certified report, with copies of all documents, satisfactory to Buyer and Buyer's counsel, from the Title Company or a reputable lien search company indicating that there are no personal property liens of record on file with the Secretary of State of California, other than those that will be discharged at the Closing, as of a date no more than ten (10) business days before the Closing Date, and a confirmation dated no more than three (3) business days before the Closing Date that no further liens have been filed since the date of the certified report.

6.1.3. Seller's Representations, Warranties, and Covenants. The representations and warranties of Seller in this Agreement must be true in all material respects on and as of the Closing Date with the same effect as if such representations and warranties had been made on and as of the Closing Date. Seller must have performed and complied with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by it before or on the Closing Date.

6.1.4. Closing Documents. Seller must have delivered to Escrow the documents and funds it is required to deliver through Escrow at Closing.

6.1.5. Hazardous Material. Buyer's approval of the results of its environmental assessment that the Property is free of Hazardous Materials of the Closing Date.

6.1.6. Approval of Governing Board. The governing board of Buyer, at a public hearing duly noticed and held, has approved the form, terms and conditions of this Agreement and has authorized or ratified the execution and delivery of this Agreement.

6.2. Seller's Closing Conditions. Seller's obligation to sell the Property is expressly conditioned on the fulfillment of each condition precedent at or before the Closing ("Seller's

Closing Conditions”). Seller’s Closing Conditions are solely for Seller’s benefit and any of Seller’s Closing Conditions may be waived in writing by Seller in whole or in part without prior notice.

6.2.1. Approval of Governing Board. The governing board of Seller, at a public hearing duly noticed and held, has approved the form, terms and conditions of this Agreement and has authorized or ratified the execution and delivery of this Agreement.

6.2.2. Approval of Contingencies. It is a Seller’s Closing Condition that Buyer must have acknowledged its approval or waiver of all Contingencies as required under Article 3.

6.2.3. Purchase Price. Buyer must have delivered the Purchase Price to Escrow.

6.2.4. Delivery of Closing Documents and Funds. Buyer must have delivered to Escrow the documents and funds specified in Section 7.4.

6.2.5. Buyer’s Representations, Warranties, and Covenants. The representations and warranties of Buyer in this Agreement must be true in all material respects on and as of the Closing Date with the same effect as if such representations and warranties had been made on and as of the Closing Date. Buyer must have performed and complied with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by it before or on the Closing Date.

6.3. Termination for Failure of a Condition. If Buyer’s Closing Conditions or Seller’s Closing Conditions, as the case may be, have not been previously approved or waived, this Agreement may be terminated by the Party in whose favor the Closing Condition runs by written notice to the other. If this Agreement is so terminated, the parties will have no further obligation or liability under this Agreement, except as provided in Article 9 and this Section 6.3. Subject to Buyer’s obligations and covenants under Section 6.2 and subject to Article 9, on such termination, Escrow Holder must return the Deposit to Buyer, except any portion that has become nonrefundable pursuant to Section 2.2.2. Any cancellation fee or other costs of the Escrow Holder and Title Company will be borne equally by Seller and Buyer and each Party will pay its own expenses. Except to the extent this Agreement provides for their survival after Closing, Closing waives all Buyer’s Closing Conditions and all Seller’s Closing Conditions.

## ARTICLE 7 CLOSING

7.1. Escrow. The Escrow will be opened with the Escrow Holder within five (5) business days after the Effective Date (“Escrow Opening Date”). Buyer and Seller will, promptly on the Escrow Holder’s request, execute such additional Escrow instructions as are reasonably required to consummate the transaction contemplated by this Agreement and are not inconsistent with this Agreement.

7.2. Closing Definitions.

7.2.1. Definition. The “Closing” means the exchange of money and documents as described in this Article 7, and will be deemed to have occurred when Seller’s Deed to Buyer has been recorded, the Escrow Holder holds and can record and deliver the remaining documents described in this Article 7, the Title Company is irrevocably and unconditionally committed to issue the Title Policy, and Buyer has delivered the Purchase Price in immediately available funds to Escrow Holder.



7.2.2. Closing Date. Seller and Buyer agree that the Closing will occur on the "Closing Date." The Closing Date will be the first business day following the date that is thirty (30) days after the Escrow Opening Date. Any earlier date for Closing will only be by written agreement of both parties. The Closing will be at the offices of Escrow Holder or such other place as the parties may agree.

7.2.3. Closing Date Extension. Either Party shall have the option to extend escrow by fifteen (15) days after the scheduled Closing Date upon giving the other Party not less than seven (7) days advance notice of exercise of this option to extend escrow. Upon either Party validly exercising this option to extend escrow as provided in this Section 7.2.3, the "Closing Date" for all purposes under this Agreement shall thereafter be the date that is forty-five (45) days after the Escrow Opening Date.

7.3. Seller's Deposit of Documents and Funds. Seller must deposit into Escrow the following documents duly executed by Seller in form and substance reasonably satisfactory to Buyer:

7.3.1. Deed. The duly executed and acknowledged Deed conveying the Property to Buyer subject only to the Permitted Exceptions;

7.3.2. Intentionally Omitted.

7.3.3. Nonforeign Certification. Certificates required by Section 1445 of the Internal Revenue Code of 1986, and the California Revenue and Taxation Code Section 18662, executed by Seller and in a form satisfactory to Buyer (Nonforeign Certification), to relieve Buyer of any potential transferee's withholding liability under such statutes;

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

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

7.4. Buyer's Deposit of Documents and Funds. Buyer must deposit into Escrow the following funds and documents duly executed by Buyer in form and substance reasonably satisfactory to Seller:

7.4.1. Purchase Price. The Purchase Price in accordance with Article 2 (including the credit set forth in Section 2.4), plus or minus prorations as provided in Section 7.7;

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

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

7.5. Closing. When the Escrow Holder receives all documents and funds identified in Sections 7.3 and 7.4, and the Title Company is ready, willing, and able to issue the Title Policy, then, and only then, the Escrow Holder will close Escrow by:

7.5.1. Recording the Deed;

7.5.2. Issuing the Title Policy to Buyer;

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

7.5.4. Paying the Purchase Price to Seller, plus or minus prorations under Section 7.7; and

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

7.6. Intentionally Omitted.

7.7. Prorations. All receipts and disbursements of the Property will be prorated as of 11:59 p.m. on the day immediately preceding the Closing Date and the Purchase Price will be adjusted on the following basis:

7.7.1. Property Taxes. All real and personal property ad valorem taxes and special assessments, if any, whether payable in installments or not, including without limitation all supplemental taxes attributable to the period before the Closing Date for the calendar year in which the Closing occurs will be prorated to the Closing Date, based on the latest available tax rate and assessed valuation.

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

7.8. Closing Costs. Closing costs will be allocated as follows:

7.8.1. Seller will pay all costs associated with removing any debt encumbering the Property;

7.8.2. Escrow costs will be shared equally by Seller and Buyer;

7.8.3. Seller will pay the cost of the Title Policy;

7.8.4. Buyer will pay the cost of recording the Deed;

7.8.5. Buyer will pay any sales tax; and

7.8.6. The documentary transfer tax and any municipal transfer tax will be paid in accordance with the custom and practice in Los Angeles County.



7.9. Broker's Commission; Indemnity. Neither Party has had any contact or dealings regarding the Property, or any communication in connection with the subject matter of this transaction, through any licensed real estate broker or person, other than the Broker, who can claim a commission or finder's fee as a procuring cause of the sale contemplated in this Agreement. If any other broker or finder perfects a claim for a commission or finder's fee based on any contract, dealings, or communication with a Party ("Indemnifying Party"), then the Indemnifying Party must indemnify, defend, and hold the other Party ("Nonindemnifying Party") harmless from all costs and expenses (including reasonable attorney fees and costs of defense) incurred by the Nonindemnifying Party in connection with such claim.

## **ARTICLE 8 RISK OF LOSS**

8.1. Condemnation. If before the Closing Date any action or proceeding is commenced by any third party other than Buyer for the condemnation or exercise of the rights of eminent domain of the Property or any portion of it, or if Seller is notified by the duly authorized officer of a duly empowered condemning authority (other than Buyer) of the intent to commence such action or proceeding ("Condemnation") and if such Condemnation would materially and adversely affect the use or operation of the Property, have the effect of decreasing the square footage of the Improvements, or reduce or eliminate access to the Property, then Buyer may either (a) terminate this Agreement or (b) proceed with the Closing without modifying the terms of this Agreement and without reducing the Purchase Price, on the condition that Seller must assign and turn over, and Buyer will be entitled to keep, all awards for the Condemnation that accrue to Seller. In regard to condemnation by any person other than the Buyer or agencies of the Buyer, Seller may not negotiate, resist, or stipulate to any Condemnation without Buyer's written consent. Seller must notify Buyer of any notice of Condemnation of all or any portion of the Property within five (5) days after the receipt of the notice of Condemnation, and Buyer must exercise its option(s) as provided in this Section 8.1 within fifteen (15) days after receipt of such notice. If necessary, the Closing Date will be extended to give Buyer the full 15-day period to make such election.

8.2. Damage and Destruction. If before the Closing Date any damage or destruction of the Property, or any portion of it, will have occurred, Seller shall be entitled to retain all insurance proceeds or other benefits accruing thereby, and Buyer shall nonetheless proceed to Closing at the agreed Purchase Price.

## **ARTICLE 9 REMEDIES FOR DEFAULT**

9.1. Buyer's Default. Buyer will be deemed to be in default under this Agreement (a) if Buyer fails, for any reason other than Seller's default under this Agreement or the failure of a condition precedent to Buyer's obligation to perform under this Agreement, to meet, comply with, or perform any covenant, agreement, or obligation required on its part within the time limits and in the manner required in this Agreement, or (b) if a material breach of any representation or warranty (made by Buyer) has occurred by reason of Buyer's actual fraud or intentional misrepresentation; provided, however, that, except for a default by Buyer's failure to deposit into Escrow all funds and/or documents required to permit the Closing to occur on the Closing Date, which default shall require no notice, no such default will be deemed to have occurred unless and until Seller has given Buyer written notice of the default, describing the nature of the default, and Buyer has failed to cure such default within ten (10) business days after the receipt of such notice (but in any event before the Closing Date, unless such default occurs after Closing).

9.2. REMEDIES FOR BUYER'S DEFAULT. IF THE CLOSING FAILS TO OCCUR BECAUSE OF BUYER'S DEFAULT UNDER THE TERMS OF THIS AGREEMENT IF SUCH

DEFAULT IS NOT CURED BY BUYER WITHIN SEVEN BUSINESS DAYS FOLLOWING RECEIPT OF WRITTEN NOTICE TO PERFORM FROM SELLER. BUYER WILL BE RESPONSIBLE FOR ALL CANCELLATION CHARGES REQUIRED TO BE PAID TO ESCROW HOLDER AND ANY ESCROW CHARGES. IN ADDITION, THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES WILL TERMINATE AND THE AMOUNT OF THE DEPOSIT WILL BE IMMEDIATELY DELIVERED BY ESCROW HOLDER TO SELLER ON SELLER'S REQUEST. THAT AMOUNT WILL BE DEEMED LIQUIDATED DAMAGES FOR BUYER'S NONPERFORMANCE AS SELLER'S SOLE AND EXCLUSIVE REMEDY AGAINST BUYER (INCLUDING, WITHOUT LIMITATION, SELLER'S RIGHTS TO SEEK SPECIFIC PERFORMANCE OF THIS AGREEMENT AND TO RECEIVE DAMAGES) FOR BUYER'S FAILURE TO PURCHASE THE PROPERTY, WHICH SUM WILL BE PRESUMED TO BE A REASONABLE ESTIMATE OF THE AMOUNT OF ACTUAL DAMAGES SUSTAINED BY SELLER BECAUSE OF BUYER'S BREACH OF ITS OBLIGATION TO PURCHASE THE PROPERTY. FROM THE NATURE OF THIS TRANSACTION, IT IS IMPRACTICABLE AND EXTREMELY DIFFICULT TO FIX THE ACTUAL DAMAGES THAT SELLER WOULD SUSTAIN IF BUYER BREACHES SUCH OBLIGATION. THE IMPRACTICABILITY AND DIFFICULTY OF FIXING ACTUAL DAMAGES IS CAUSED BY, WITHOUT LIMITATION, THE FACT THAT THE PROPERTY IS UNIQUE. GIVEN THE FOREGOING FACTS, AMONG OTHERS, BUYER AND SELLER AGREE THAT LIQUIDATED DAMAGES ARE PARTICULARLY APPROPRIATE FOR THIS TRANSACTION AND AGREE THAT SAID LIQUIDATED DAMAGES MUST BE PAID IN THE EVENT OF BUYER'S BREACH OF ITS OBLIGATION TO PURCHASE THE PROPERTY, DESPITE ANY WORDS OR CHARACTERIZATIONS PREVIOUSLY USED OR CONTAINED IN THIS AGREEMENT IMPLYING ANY CONTRARY INTENT. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTION 3275 OR 3369 BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER UNDER CALIFORNIA CIVIL CODE SECTIONS 1671, 1676, AND 1677. NOTHING IN THIS AGREEMENT WILL, HOWEVER, BE DEEMED TO LIMIT BUYER'S LIABILITY TO SELLER FOR DAMAGES FOR BREACH OF BUYER'S INDEMNITY OBLIGATIONS UNDER SECTION 3.6.2.

WE ACKNOWLEDGE AND AGREE TO THIS LIQUIDATED DAMAGES PROVISION:

SELLER'S INITIALS: MBB PS

BUYER'S INITIALS: \_\_\_\_\_

9.3. Seller's Default. Seller will be deemed to be in default under this Agreement (a) if Seller fails, for any reason other than Buyer's default under this Agreement or the failure of a condition precedent to Seller's obligation to perform under this Agreement, to meet, comply with, or perform any covenant, agreement, or obligation required on its part within the time limits and in the manner required in this Agreement, or (b) if a material breach of any representation or warranty (made by Seller) has occurred because of Seller's actual fraud or intentional misrepresentation; provided, however, that, except for a default by Seller's failure to deposit into Escrow all funds and/or documents required to permit the Closing to occur on the Closing Date, which default shall require no notice, no such default will be deemed to have occurred unless and until Buyer has given Seller written notice of the default, describing its nature, and Seller has failed to cure such default within ten (10) days after receipt of such notice (but in any event before the Closing Date, unless such default occurs after Closing).

9.4. Remedies for Seller's Default. If Seller defaults in its obligations under this Agreement to sell the Property to Buyer on the Closing Date through no fault of Buyer, and such default prevents Closing, then Buyer shall have the right to specific performance of this Agreement or the right to recover the Deposit and terminate this Agreement without further claims. If such default does not prevent Closing, then Buyer may either proceed with Closing and waive the default or terminate this Agreement and recover the Deposit as its sole remedy.

## ARTICLE 10 GENERAL

10.1. Notices. Any notices relating to this Agreement must be given in writing and will be deemed sufficiently given and served for all purposes when delivered personally, by generally recognized overnight courier service, by facsimile (provided that sender retains a printed confirmation of delivery to the facsimile number provided below), or by email (provided Seller has proof of sending), addressed or sent as follows:

SELLER: Los Angeles County Board of Education  
c/o Los Angeles County Office of Education  
Attn: Roberta Stephens  
12830 Columbia Way  
Downey, CA 90242  
Email: Stephens\_Roberta@lacoedu.edu

With a copy to

Los Angeles County Office of Education  
Attn: Patrick Saldana  
12830 Columbia Way  
Downey, CA 90242  
Email: Saldana\_Patrick@lacoedu.edu

BUYER: South Gate Housing Authority  
8650 California Avenue  
South Gate, CA 90280  
Attn: Joe Perez, Director of Community Development  
Email: jperez@sogate.org

With a copy to:

South Gate Housing Authority  
8650 California Avenue  
South Gate, CA 90280  
Attn: Raul F. Salinas, Authority Counsel  
Email: rsalinas@sogate.org

and to

AlvaradoSmith  
Attn: Jerry J. Ruiz  
633 W. Fifth Street, Suite 900  
Los Angeles, CA 90071  
Email: [jruiz@alvaradosmith.com](mailto:jruiz@alvaradosmith.com)



and to

South Gate Housing Authority  
8650 California Avenue  
South Gate, CA 90280  
Attn: Carmen Avalos, Recording Secretary  
Email: [cavalos@sogate.org](mailto:cavalos@sogate.org)

ESCROW HOLDER: Orange Coast Title Company  
1551 N. Tustin Avenue, Suite 300  
Santa Ana, California 92705

Either Party may change its address or any part thereof by written notice to the other given in the manner set forth above.

10.2. Entire Agreement. This Agreement and all exhibits referred to in this Agreement constitute the complete, exclusive, and final statement of the terms of the agreement with respect to the sale of the Property between Buyer and Seller and may not be contradicted by evidence of any prior or contemporaneous agreement. This Agreement specifically supersedes any prior written or oral agreements between the parties. The language in all parts of this Agreement will be construed as a whole in accordance with its fair meaning and without regard to California Civil Code Section 1654 or similar statutes. Neither Party has been induced to enter into this Agreement by, and neither Party is relying on, any representation or warranty outside those expressly set forth in this Agreement.

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

10.4. Invalidity of Provision. If any provision of this Agreement as applied to either Party or to any circumstance is adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, this fact will in no way affect (to the maximum extent permissible by law) any other provision of this Agreement, the application of any such provision under circumstances different from those adjudicated by the court, or the validity or enforceability of this Agreement as a whole.

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

10.6. References. Unless otherwise indicated, (a) all article and section references are to the articles and sections of this Agreement, and (b) except where otherwise stated, all references to days are to calendar days. Whenever under the terms of this Agreement the time for performance of a covenant or condition falls on a Friday, Saturday, Sunday, or California state holiday, such time for performance will be extended to the next business day. "Business day" means a day other than Friday, Saturday, Sunday, and California state holidays as published by

the California Secretary of State. The headings used in this Agreement are provided for convenience only and this Agreement will be interpreted without reference to any headings. The date of this Agreement is for reference purposes only and is not necessarily the date on which it was entered into.

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

10.8. Time. Time is of the essence in the performance of the parties' respective obligations under this Agreement.

10.9. Attorneys' Fees. In the event of any action or proceeding to enforce a term or condition of this Agreement, any alleged disputes, breaches, defaults, or misrepresentations in connection with any provision of this Agreement or any action or proceeding in any way arising from this Agreement, including any interpleader of the Deposit by the Escrow Holder, the prevailing party in such action, or the nondismissing party when the dismissal occurs other than by a settlement, will be entitled to recover its reasonable costs and expenses, including without limitation reasonable attorneys' fees and costs of defense paid or incurred in good faith. The "prevailing party," for purposes of this Agreement, will be deemed to be that Party who obtains substantially the result sought, whether by settlement, dismissal, or judgment.

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

10.11. No Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any person other than the parties to it and their respective permitted successors and assigns, nor is anything in this Agreement intended to relieve or discharge any obligation of any third person to any Party to this Agreement or give any third person any right of subrogation or action over against any Party to this Agreement.

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

10.13. Counterparts. This Agreement may be executed by the Parties in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Executed copies of this Agreement sent by facsimile or transmitted electronically in either Tagged Image Format Files ("TIFF") or Portable Document Format ("PDF") or by DocuSign or other electronic document or signature (each "eSignature") that complies with the U.S. Electronic Signatures in Global and National Commerce Act (ESIGN) and the Uniform Electronic Transactions Act (UETA), each of which of the foregoing shall be treated as originals, fully binding and with full legal force and effect, and the parties waive any rights they may have to object to such treatment. Any Party delivering an executed counterpart of this Agreement by facsimile, TIFF, PDF, or eSignature also shall deliver a manually executed counterpart of this Agreement, but the failure to deliver a manually-executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

10.14. Interpretation. Throughout this Agreement: (a) the plural and singular numbers will each be considered to include the other; (b) the masculine, feminine, and neuter genders will each be considered to include the others; (c) "shall," "will," "must," "agrees," and "covenants" are



each mandatory; (d) "may" is permissive; (e) "or" is not exclusive; and (f) "includes" and "including" are not limiting.

[signatures of the Parties on following page]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement as of the Effective Date to be executed and attested by their respective officers thereunto duly authorize.

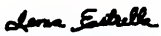
**SELLER:**

**LOS ANGELES COUNTY BOARD OF EDUCATION**, a public body, corporate and politic

By:   
Patricia Smith, Chief Financial Officer

Dated: Apr 10, 2020

**ATTEST:**


By:   
Jema Estrella (Apr 10, 2020)  
Jema Estrella, Director of Facilities and Construction

**APPROVED AS TO FORM:**

By:   
Patrick Saldana (Apr 10, 2020)  
Patrick Saldana, Deputy General Counsel


**BUYER:**

**SOUTH GATE HOUSING AUTHORITY**, a public body, corporate and politic

By:   
M. Belén Bernal, Chairperson

Dated: March 25, 2020

**ATTEST:**

By:   
Carmen Avalos, Recording Secretary  
(SEAL)

**APPROVED AS TO FORM:**

By:   
Paul F. Salinas, Authority Counsel

**CONSENT OF ESCROW HOLDER**

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

Date: \_\_\_\_\_

By: \_\_\_\_\_

## TABLE OF EXHIBITS

Exhibit A	Legal Description
Exhibit B	Form of Grant Deed
Exhibit C	Intentionally Omitted
Exhibit D	List of Excluded Personal Property

EXHIBIT A  
LEGAL DESCRIPTION

13050 PARAMOUNT BLVD, SOUTH GATE, CALIFORNIA

The Land referred to herein below is situated in the City of South Gate, County of Los Angeles, State of California, and is described as follows:

LOTS 1 AND 2 AND THE NORTHEASTERLY 31 1/2 FEET (MEASURED AT RIGHT ANGLES) OF LOT 3, BLOCK 1, OF TRACT 5501, IN THE CITY OF SOUTH GATE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 60, PAGE 85, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE NORTHEASTERLY 14.00 FEET (MEASURED AT RIGHT ANGLES) OF SAID LOT 1.

ALSO EXCEPTING THEREFROM THAT PORTION OF LOT 1, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF A LINE THAT IS PARALLEL WITH AND 14 FEET SOUTHERLY, MEASURED AT RIGHT ANGLES FROM THE NORTHERLY LINE OF SAID LOT 1, BLOCK 1, WITH THE EASTERLY LINE OF PARAMOUNT BOULEVARD (100 FEET WIDE) AS DESCRIBED IN DEED TO THE CITY OF SOUTH GATE RECORDED OCTOBER 17, 1949 AS INSTRUMENT NO. 2308 IN BOOK 31242, PAGE 366, OFFICIAL RECORDS, THENCE EASTERLY ALONG SAID PARALLEL LINE 15 FEET; THENCE SOUTHWESTERLY IN A DIRECT LINE TO A POINT IN THE SAID EASTERLY LINE OF PARAMOUNT BOULEVARD, DISTANT SOUTHERLY THEREON 15 FEET FROM THE POINT OF BEGINNING; THENCE NORTHERLY ALONG SAID PARAMOUNT BOULEVARD, 15 FEET TO THE SAID POINT OF BEGINNING.

For conveyancing purposes only: APN 6264-004-900



EXHIBIT B  
GRANT DEED

13050 PARAMOUNT BOULEVARD, SOUTH GATE, CALIFORNIA

**RECORDING REQUESTED BY:**  
South Gate Housing Authority,  
a public body, corporate and public

**AND WHEN RECORDED MAIL TO:**  
South Gate Housing Authority  
8650 California Avenue  
South Gate, CA 90280

No fee for recording pursuant to  
Government Code Section 27383

APN 6264-004-900

*SPACE ABOVE FOR RECORDER'S USE ONLY*

**SOUTH GATE HOUSING AUTHORITY**

**GRANT DEED**

**FOR VALUABLE CONSIDERATION**, the receipt of which is hereby acknowledged, **LOS ANGELES COUNTY BOARD OF EDUCATION**, a public body, corporate and politic (the "Grantor"), hereby grants and conveys to the **SOUTH GATE HOUSING AUTHORITY**, a public body, corporate and politic (the "Grantee"), all of the Grantor's right, title and interest in and to that certain real property legally described in EXHIBIT A attached to and by this reference incorporated into this Grant Deed (the "Property"), subject to all easements, rights-of-way, covenants, conditions, restrictions, reservations, and all other matters of record running with the land.

**IN WITNESS WHEREOF**, the Grantor has caused this Grant Deed to be executed by its authorized representative(s) on this \_\_\_\_ day of \_\_\_\_\_, 2020.

**GRANTOR:**

LOS ANGELES COUNTY BOARD OF  
EDUCATION, a public body, corporate and  
politic

Attest:

\_\_\_\_\_

Approved as to Form:

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT B**  
**GRANT DEED**

13050 PARAMOUNT BOULEVARD, SOUTH GATE, CALIFORNIA

**EXHIBIT A**  
**TO**  
**GRANT DEED**  
**(South Gate Housing Authority)**

Legal Description

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:

LOTS 1 AND 2 AND THE NORTHEASTERLY 31 1/2 FEET (MEASURED AT RIGHT ANGLES) OF LOT 3, BLOCK 1, OF TRACT 5501, IN THE CITY OF SOUTH GATE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 60, PAGE 85, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE NORTHEASTERLY 14.00 FEET (MEASURED AT RIGHT ANGLES) OF SAID LOT 1.

ALSO EXCEPTING THEREFROM THAT PORTION OF LOT 1, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF A LINE THAT IS PARALLEL WITH AND 14 FEET SOUTHERLY, MEASURED AT RIGHT ANGLES FROM THE NORTHERLY LINE OF SAID LOT 1, BLOCK 1, WITH THE EASTERLY LINE OF PARAMOUNT BOULEVARD (100 FEET WIDE) AS DESCRIBED IN DEED TO THE CITY OF SOUTH GATE RECORDED OCTOBER 17, 1949 AS INSTRUMENT NO. 2308 IN BOOK 31242, PAGE 366, OFFICIAL RECORDS, THENCE EASTERLY ALONG SAID PARALLEL LINE 15 FEET; THENCE SOUTHWESTERLY IN A DIRECT LINE TO A POINT IN THE SAID EASTERLY LINE OF PARAMOUNT BOULEVARD, DISTANT SOUTHERLY THEREON 15 FEET FROM THE POINT OF BEGINNING; THENCE NORTHERLY ALONG SAID PARAMOUNT BOULEVARD, 15 FEET TO THE SAID POINT OF BEGINNING.

For conveyancing purposes only: APN 6264-004-900

**CERTIFICATE OF ACCEPTANCE OF GRANT DEED**  
**Pursuant to California Government Code § 27281**  
**(South Gate Housing Authority)**

This is to certify that the interest in real property conveyed by the grant deed dated \_\_\_\_\_, 2020 from the Los Angeles County Board of Education, as Grantor, to the South Gate Housing Authority, a public body, corporate and politic, as Grantee, is hereby accepted by the undersigned officer on behalf of the South Gate Housing Authority pursuant to authority conferred by Resolution \_\_\_\_\_ of the South Gate Housing Authority adopted on \_\_\_\_\_, and the Grantee consents to recordation thereof by its duly authorized officer.

Dated: 3-25-2020

  
\_\_\_\_\_  
Title: M. Belén Bernal, Chairperson





EXHIBIT C  
INTENTIONALLY OMITTED

13050 PARAMOUNT BOULEVARD, SOUTH GATE, CALIFORNIA

INTENTIONALLY OMITTED

EXHIBIT D

LIST OF EXCLUDED PERSONAL PROPERTY

13050 PARAMOUNT BLVD. SOUTH GATE, CALIFORNIA

The Property shall not include the personal property listed below, which shall be the property of Seller and shall be removed from the Property prior to Closing.

1. FIVE (5) SHIPPING CONTAINERS LOCATED ON-SITE AND ALL CONTENTS CONTAINED THEREIN;
2. ALL EXTERIOR FENCING LOCATED ON THE PROPERTY, OWNED BY PILGRIM FENCE COMPANY, AND LEASED BY SELLER; AND
3. VARIOUS EQUIPMENT AND TOOLS OWNED BY SELLER.



BETTER COMMUNITIES. BOLDER FUTURES.

ROSENOW SPEVACEK GROUP INC.  
309 WEST 4TH STREET  
SANTA ANA, CALIFORNIA  
92701-4502

T 714 541 4585  
F 714 541 1175  
E INFO@WEBRSG.COM  
WEBRSG.COM

March 2, 2020

Via Electronic Mail

Roberta Stephens, Sr. Real Estate Specialist  
LOS ANGELES COUNTY OFFICE OF EDUCATION  
12830 Columbia Way  
Downey, CA 90242

**OFFER LETTER – 13050 PARAMOUNT BLVD, SOUTH GATE, CALIFORNIA**

Dear Ms. Stephens:

RSG (CalBRE #01930929) is authorized by the City of South Gate to present on its behalf this offer letter to purchase the fee simple absolute interest of the above-referenced property, subject to the terms and conditions outlined herein:

Subject Property: 13050 Paramount Blvd, South Gate (APN 6264-004-900)  
Southern corner of the intersection of Gardendale and Paramount  
57,310 sf; Map attached as Exhibit A

Purchase Price: \$1,800,000 (\$31/sf) – fee simple absolute, all cash

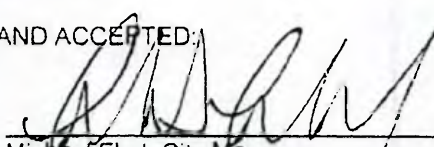
Property Condition: The Property shall be delivered in "as-is" condition

Contingencies: Property is free and clear of all tenants, parties in possession, encumbrances, conditions, covenants, and restrictions that would affect the marketability or value, is free from environmental contamination, and is subject to review and approval by the City Council of South Gate.

Nothing in this offer shall be deemed to pre-commit the City Council of the City of South Gate and no decision to acquire can be finalized until the City Council formally acts to approve a purchase agreement. Should these terms be agreeable, please execute and return this letter as acceptance of said offer so that we may prepare a Purchase and Sale Agreement and schedule this matter for consideration by the City Council. This Offer Letter shall remain valid until March 3, 2020 at 5:00 PM PT and, unless accepted prior to such date and time as provided herein, shall thereafter be deemed revoked.

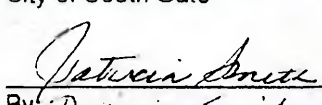
AGREED AND ACCEPTED:

BUYER

  
Michael Flad, City Manager  
City of South Gate

March 2, 2020

SELLER

  
By: Patricia Smith  
Chief Financial Officer  
Los Angeles County Office of Ed.

2/3/20

/ Date

FISCAL HEALTH  
ECONOMIC DEVELOPMENT  
REAL ESTATE, HOUSING  
AND HEALTHY COMMUNITIES

RECEIVED

MAR 19 2020

# City of South Gate

## SOUTH GATE HOUSING AUTHORITY

CITY OF SOUTH GATE  
OFFICE OF THE CITY MANAGER

3:55pm

# AGENDA BILL

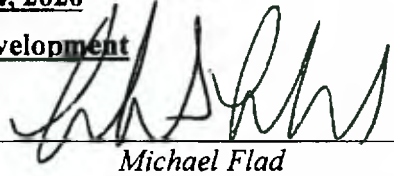
For the Regular Meeting of: March 24, 2020

Originating Department: Community Development

Department Director:

  
Joe Perez

City Manager:

  
Michael Flad

**SUBJECT: RESOLUTION APPROVING THE PURCHASE AND SALE AGREEMENT FOR 13050 PARAMOUNT BOULEVARD (APN 6264-004-900)**

**PURPOSE:** To consider the approval of the purchase and sale agreement (“PSA”) for 13050 Paramount Boulevard (“Property”), former Rancho Market site, between the South Gate Housing Authority (“Housing Authority”) and the Los Angeles County Board of Education (“Seller”).

**RECOMMENDED ACTIONS:**

- a. Adopt Resolution approving the Purchase and Sale Agreement with the Los Angeles County Board of Education for the real property located at 13050 Paramount Boulevard, South Gate (APN 6264-004-900), former Rancho Market site; and
- b. Authorize the Chairperson to execute the Purchase and Sale Agreement in a form acceptable to the Authority Counsel.



**FISCAL IMPACT:** Funds were not appropriated in the Fiscal Year 2019/20 budget for this item and the Housing Authority does not have enough discretionary funds available to acquire the Property. At this time, the Housing Authority would fund the refundable deposit to open escrow, in the amount of \$25,000. The Housing Authority would then obtain a loan from the City for the balance of the purchase. As such, the Housing Authority would need to borrow \$1,775,000 from the City’s General Fund in the form of a loan prior to the close of escrow on the Property. Staff will return to the City Council and Housing Authority in April with the terms and conditions for the loan between the entities.

Once the Housing Authority acquires the Property, the Housing Authority would be responsible for the cost of security and maintenance. At present, the Seller has several third-party vendors that provide fencing, security, and maintenance for the Property. City staff is recommending that the Housing Authority enter into new agreements for these services and anticipates an annual cost of up to \$5,000 annually to be paid from the City’s General Fund.

**ALIGNMENT WITH COUNCIL GOALS:** The approval of the PSA supports the goal of protecting strong and sustainable neighborhoods by allowing for the acquisition of property on which high-quality affordable housing will be constructed.



**ANALYSIS:** Acquisition of the 1.32-acre parcel of land at 13050 Paramount Boulevard would allow the Housing Authority to facilitate the development of affordable housing within the Hollydale Specific Plan area in response to the acute housing crisis in the State and help fulfill a substantial housing production goal in the upcoming 6<sup>th</sup> Housing Element Cycle. The property, zoned Hollydale Mixed Use 2 (HMU2), contains 18,079 square foot Supermarket Building that was formerly operated by Rancho Market. The site was acquired by LACOE in 2001 and has been vacant for many years. Once the Housing Authority has acquired the Property, we intend to solicit proposals from qualified affordable housing developers who would like to purchase and develop the Property as an affordable ownership housing project, consistent with the Specific Plan.

*Figure 1: Subject Property Map (13050 Paramount Boulevard).*



Approval of the PSA will initiate the process to open escrow and purchase the Property for redevelopment of future affordable housing on the Property. The transaction entails a deposit by the City and Housing Authority, with the balance of funds paid at closing.

#### Purchase Price

The acquisition cost for the Property is \$1,800,000, inclusive of the refundable deposit, plus incidental costs. The PSA requires a \$25,000 refundable deposit that is credited against the sales price to be paid from the Housing Authority.

#### Due Diligence and Relocation

As part of its due diligence review, the City has obtained a preliminary report, Phase I environmental site assessment, and appraisal. Because the site is currently vacant, no relocation costs will be incurred.

### Environmental

The results of the Phase I environmental site assessment (“ESA”) indicate that additional soil studies will be required. More specifically, the Phase I ESA concludes based on the presence of the dry cleaning business adjacent to the site, a Vapor Encroachment Condition (VEC), the possibility of underground vapors cannot be ruled out. A Phase II ESA (estimated cost \$25,000), inclusive of a soil vapor study, would provide more conclusive results and provide insight on the required remediation, if necessary. The cost of the Phase II ESA could be covered by a future developer of the site.

### Contingency Period

During the contingency period, the Housing Authority will execute title, environmental and other due diligence as a condition of closing. If, during the contingency period, material issues are identified, staff will confer with the City Council and Housing Authority to receive authorization for additional expenditures and/or risk prior to proceeding with closing. The deposit may be refunded at the request of the Housing Authority during the contingency period, or in the event of a seller default of the agreement.

### Security and Maintenance of Property

Should the sale proceed, the Housing Authority would be responsible for the security and maintenance of the Property, which we estimate would cost the approximately \$5,000 annually for fencing, security, and maintenance/upkeep. It is anticipated that that third party contractors would cover some of these services.

**BACKGROUND:** On October 22, 2019, the South Gate Housing Authority received a Notice of Sale of Surplus Property from the Los Angeles Board of Education (LACOE), giving the Housing Authority notice of the Seller’s intent to sell the Property. On December 19, 2019, the Housing Authority sent a Notice of Interest to Purchase the Property, marking the beginning of a 90-day good faith negotiating period, pursuant to Government Code Section 54223. The 90-day good faith negotiating period expired on March 18, 2020, however, the Seller verbally agreed to an extension due to time lost during the holiday season.

After conferring with the Housing Authority in closed session on February 25, 2020, staff was directed to submit an offer letter to the Seller. On February 27, 2020, the Housing Authority submitted an offer with a purchase price of \$1,800,000, which was determined to be the fair market value, subject to certain title and environmental contingencies. After some negotiation with the Seller, the Housing Authority submitted a revised offer on March 2, 2020 with the original terms, adding that the Property would be delivered in “as-is” condition. The revised offer letter was accepted by LACOE on March 3, 2020. The enclosed PSA is the result of these actions.

### Redevelopment Program

As stated earlier, the ultimate purpose of the acquisition is to facilitate the redevelopment of this property. Once the Housing Authority secures ownership of the Property, the Housing Authority intends to solicit proposals from qualified developers who would like to purchase the Property and develop an affordable for-sale housing project.

### Schedule

Under the proposed PSA, the Housing Authority has certain timeframes during which to perform and complete due diligence. Escrow is opened within 5 business days of approval of the PSA and

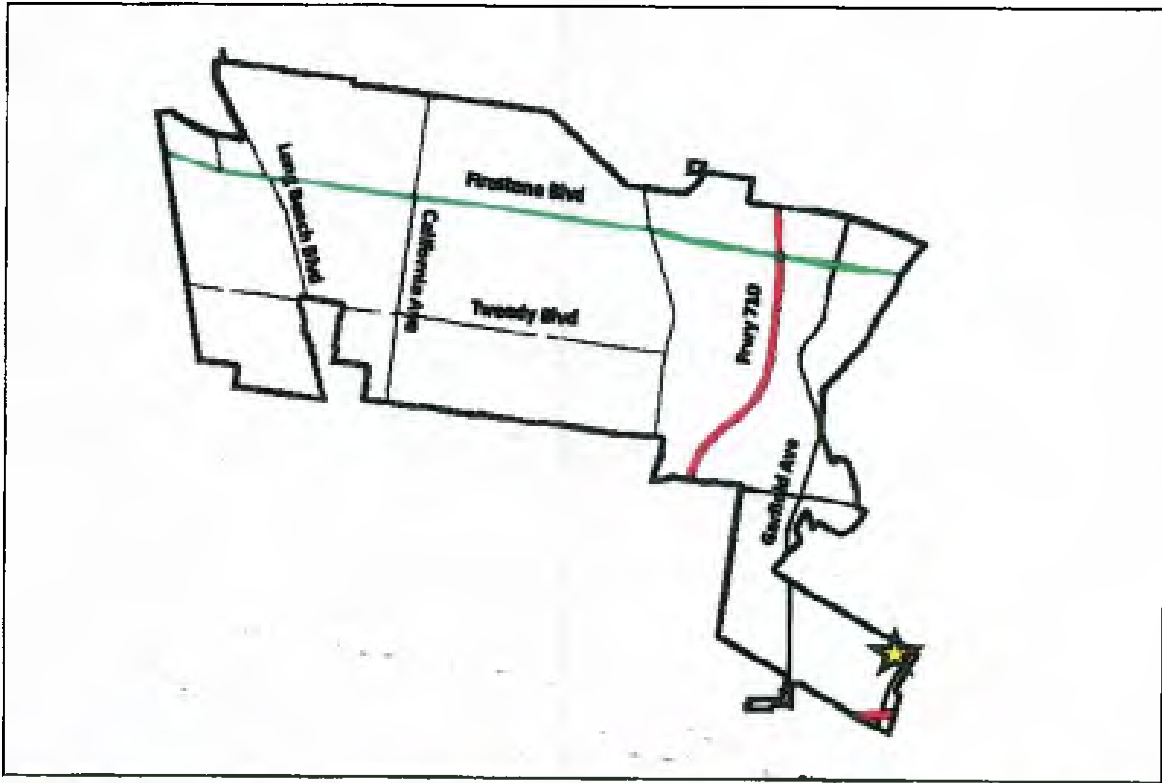
the \$25,000 purchase deposit would be made by the Housing Authority within 7 business days of opening escrow. Within 8 days of opening escrow, the Housing Authority would waive contingencies. Because all necessary due diligence is already complete, the abbreviated timeframe does not present an issue. Provided the due diligence is satisfactory and does not result in any necessary changes to the PSA, escrow would close 30-days after opening, unless terminated by either party. If any delays occur, the Housing Authority or Seller may elect to extend escrow by 15-days. LACOE is scheduled to present their board with the PSA for approval on April 7, 2020.

**ATTACHMENTS:** A. Location Map and Aerial  
B. Proposed Resolution, including Purchase and Sale Agreement  
C. Signed Offer Letter



# ATTACHMENT A

## Location Map for 13050 Paramount Boulevard





**ATTACHMENT B**

**RESOLUTION NO. 2020-02-HA**

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

**RESOLUTION OF THE SOUTH GATE HOUSING AUTHORITY  
OF THE CITY OF SOUTH GATE APPROVING THE PURCHASE  
AND SALE AGREEMENT BETWEEN THE SOUTH GATE  
HOUSING AUTHORITY AND THE LOS ANGELES COUNTY  
BOARD OF EDUCATION FOR THE REAL PROPERTY  
LOCATED AT 13050 PARAMOUNT BOULEVARD, SOUTH  
GATE (APN 6264-004-900), FORMER RANCHO MARKET SITE**

**WHEREAS**, the Los Angeles County Office of Education ("LACOE") is the fee simple owner of a ~1.32-acre property located at 13050 Paramount Boulevard, South Gate (APN 6264-004-900) which was formerly used as a grocery store until it was shuttered several years ago ("Property"); and

**WHEREAS**, LACOE has determined that the Property is no longer needed for LACOE's public purposes and declared the property surplus and provided Notice of Surplus Sale to the South Gate Housing Authority ("Housing Authority") pursuant to Government Code Section 54223; and

**WHEREAS**, the Housing Authority duly provided a Notice of Interest to Purchase the Property on December 19, 2019 and entered negotiations on the purchase of said Property with LACOE; and

**WHEREAS**, LACOE accepted an offer letter submitted by the Housing Authority to Purchase the Property on March 3, 2020 and authorized Housing Authority to prepare a Purchase and Sale Agreement and schedule the Agreement for consideration; and

**WHEREAS**, the Housing Authority and LACOE have formulated a Purchase and Sale Agreement, in the form attached herewith as Attachment "1" ("PSA"), for purposes of developing affordable housing; and

**WHEREAS**, the PSA would allow the Housing Authority time to procure a loan from the City of South Gate General Fund and conduct due diligence on the Property prior to the close of escrow; and

**WHEREAS**, under the PSA, the Housing Authority would acquire the Property for \$1,800,000, the reasonableness of which is supported by information provided in the Agenda Bill accompanying this Resolution, dated March 24, 2020; and

**WHEREAS**, as no specific project for the Property is being proposed or approved at this time, the acquisition of the property is not a project pursuant to the California Environmental Quality Act (Public Resources Code Section 21000 *et seq.*; "CEQA"); environmental review pursuant to CEQA will be required prior to the approval of any agreement providing for the sale and development of the property.

**NOW, THEREFORE, THE SOUTH GATE HOUSING AUTHORITY 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 Housing Authority hereby approves the PSA in substantially the form attached hereto as Attachment "1", which is fully incorporated by this reference. The Housing Authority's Executive Director and Recording Secretary (who are also the City Manager and City Clerk, respectively) are authorized to execute and attest the PSA with such revisions as the Executive Director and Authority 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 PSA, including executing further instruments and agreements, issuing warrants, and taking other appropriate actions to perform the obligations and exercise the rights of the Housing Authority under the PSA. A copy of the PSA when fully executed shall be placed on file in the office of the Recording Secretary.

**Section 3.** The Housing Authority hereby appropriates \$25,000 from the Local Agency Investment Fund (LAIF) for the refundable deposit associated with the PSA, as described in the accompanying Agenda Bill dated March 24, 2020.

**Section 4.** The Recording Secretary shall certify to the adoption of this Resolution which shall be effective upon its adoption.

**PASSED, APPROVED and ADOPTED** this 24<sup>th</sup> day of March 2020.


**SOUTH GATE HOUSING AUTHORITY:**

By: \_\_\_\_\_  
M. Belén Bernal, Chairperson

**ATTEST:**

By: \_\_\_\_\_  
Carmen Avalos, Recording Secretary  
(SEAL)

**APPROVED AS TO FORM:**

By:  \_\_\_\_\_  
Raul F. Salinas, Authority Counsel

**PURCHASE AND SALE AGREEMENT FOR THE PROPERTY  
LOCATED AT 13050 PARAMOUNT BOULEVARD, SOUTH GATE, CALIFORNIA**

This Purchase and Sale Agreement for the property located at 13050 Paramount Boulevard, South Gate, California ("Agreement") is made and entered into and made effective as of the date of the last signature below (the "Effective Date"), between the Los Angeles County Board of Education, a public body, corporate and politic ("Seller") and the South Gate Housing Authority, a public body, corporate and politic ("Buyer"). Seller and Buyer are sometimes individually referred to as a "Party" and collectively as the "Parties."

**RECITALS**

A. Seller is the owner of certain real property located in the City of South Gate, County of Los Angeles, State of California, consisting of an approximately 1.32-acre parcel of land, Assessor's Parcel Number 6264-004-900, and being more particularly described in Exhibit "A" attached hereto (the "Land").

B. The Land is improved by a single-story building commonly known as 13050 Paramount Boulevard, South Gate, California (the "Building"), containing approximately 18,090 square feet, together with the related improvements, appurtenances, and certain related intangible property. The Building is currently vacant and unoccupied. While the approximate square footage of the land and building have been used in the discussions for the purchase of the real property, the Purchase Price is not tied to the square footage and is not subject to adjustment should the actual size be determined to be different.

C. Seller acknowledges that Buyer is a public agency and Buyer desires to purchase the Property, including the Land and the Building, and Seller agrees to sell the Property to Buyer as specifically described below.

**AGREEMENTS**

**ARTICLE 1  
AGREEMENT OF SALE**

1.1. Purchase and Sale. For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, all of Seller's right, title and interest in and to the Property described below in Section 1.2, under the terms and conditions of this Agreement.

1.2. Description of the Property. The property to be sold and purchased under this Agreement consists of all of the following (collectively referred to as the "Property"):

1.2.1. Land. The Land described in Recital A.

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



1.2.3. Improvements. The Building described in Recital B and all other buildings, structures, pylon sign, parking areas, or improvements located upon the Land or upon the Improvements, including fixtures, systems, and equipment attached to the Land or Improvements and used in connection with the operation or occupancy of the Land and Improvements (such as heating and air-conditioning systems, refrigeration, ventilation, garbage disposal, or utility conduits) (collectively, the "Improvements").

1.2.4 Personal Property. All personal property, fixtures and equipment owned by Seller located on or in or used in connection with the Land and Improvements as of the date hereof and as of the Closing Date, but specifically excluding the personal property listed on Exhibit "D" attached hereto, the List of Excluded Personal Property, which shall be the property of Seller and shall be removed from the Property prior to Closing.

1.2.5 Intangible Property. Any intangible personal property now or hereafter owned by Seller and used in the ownership, use or operation of the Land, Improvements and Personal Property, including, without limitation, any and all guaranties, warranties, indemnities, licenses, permits, plans, specifications and similar documents and rights, together with Seller's interest in all utility contracts or other agreements or rights relating to the ownership, use and operation of the Land, Improvements and Personal Property.

1.3. Definitions. As used in this Agreement, the following terms have the following meanings:

"Additional Encumbrances" is defined in Section 3.4.4 of this Agreement.

"Appurtenances" is defined in Section 1.2.2 of this Agreement.

"Assignment" is defined in Section 7.3.2 of this Agreement.

"Broker" is defined in Section 7.9 of this Agreement.

"Building" is defined in Recital B of this Agreement.

"Business day" is defined in Section 10.6 of this Agreement.

"Buyer's Closing Conditions" is defined in Section 6.1 of this Agreement.

"Buyer's Election Notice" is defined in Section 3.4.3 of this Agreement.

"Buyer's Title Notice" is defined in Section 3.4.1 of this Agreement.

"Buyer's Representatives" is defined in Section 3.6.2 of this Agreement.

"Closing" is defined in Section 7.2.1 of this Agreement.

"Closing Date" is defined in Section 7.2.2 of this Agreement.

"Condemnation" is defined in Section 8.1 of this Agreement.

"Contingency" and "Contingencies" are defined in Section 3.7 of this Agreement.

"Contingency Date" is defined in Section 3.2 of this Agreement.



“Deed” is defined in Section 6.1.1 of this Agreement.

“Deposit” is defined in Section 2.2.1 of this Agreement.

“Due Diligence” is defined in Section 3.6.1 of this Agreement.

“Effective Date” is defined in the opening paragraph of this Agreement.

“Escrow” is defined in Section 2.2.1 of this Agreement.

“Escrow Holder” is defined in Section 2.2.1 of this Agreement.

“Escrow Opening Date” is defined in Section 7.1 of this Agreement.

“Hazardous Materials Laws” is defined in Section 5.1.10 of this Agreement.

“Improvements” is defined in Section 1.2.3 of this Agreement.

“Indemnifying Party” is defined in Section 7.9 of this Agreement.

“Land” is defined in Recital A of this Agreement.

“Nonforeign Certification” is defined in Section 7.3.3 of this Agreement.

“Nonindemnifying Party” is defined in Section 7.9 of this Agreement.

“Permitted Exceptions” is defined in Section 3.4.1 of this Agreement.

“Preliminary Documents” is defined in Section 3.1 of this Agreement.

“Preliminary Document Date” is defined in Section 3.1 of this Agreement.

“Preliminary Report” is defined in Section 3.1.1 of this Agreement.

“Property” is defined in Section 1.2 of this Agreement.

“Purchase Price” is defined in Section 2.1 of this Agreement.

“Seller’s Closing Conditions” is defined in Section 6.2 of this Agreement.

“Seller’s Title Notice” is defined in Section 3.4.2 of this Agreement.

“Title Company” is defined in Section 3.1.1 of this Agreement.

“Title Objections” is defined in Section 3.4.1 of this Agreement.

“Title Policy” is defined in Section 6.1.1 of this Agreement.

## ARTICLE 2 PURCHASE PRICE

2.1. Amount. The full purchase price ("Purchase Price") for the Property is ONE MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$1,800,000), and is payable in accordance with this Article 2.

2.2. Deposit.

2.2.1. Deposit. Within seven (7) business days after the Escrow Opening Date, as a deposit against the Purchase Price, Buyer must deposit TWENTY-FIVE THOUSAND DOLLARS (\$25,000) ("Deposit") into an escrow ("Escrow") to be opened with Orange Coast Title Company, 1551 N. Tustin Avenue, Suite 300, Santa Ana, California 92705 ("Escrow Holder").

2.2.2. Requirements for Deposit. Buyer may make the Deposit in cash, or by check payable to the Escrow Holder, or by electronic transfer of federal funds. On the Closing Date (defined in Section 7.2.2), the entire amount of the Deposit shall be credited against the Purchase Price. If this Agreement terminates for any reason other than Buyer's default, the Escrow Holder must refund the Deposit to Buyer.

2.3. Payment of Balance. Buyer agrees to pay, or cause to be paid, the balance of the Purchase Price to Seller through the Escrow by depositing cash or a certified or cashier's check payable to the Escrow Holder, or by electronic transfer of federal funds, which must be delivered to the Escrow Holder at least one (1) business day before the Closing Date (defined in Section 7.2.2).

## ARTICLE 3 BUYER'S CONTINGENCIES

3.1. Seller's Delivery of Documents. Seller shall deliver to Buyer all documents listed below (collectively, "Preliminary Documents") not later than four (4) business days after the Escrow Opening Date ("Preliminary Document Date"). Failure by Seller to deliver the Preliminary Documents by the Preliminary Document Date will extend the Contingency Date (as defined in Section 3.2) by one (1) business day for every one (1) business day thereafter that the last such Preliminary Document is delivered.

3.1.1. Preliminary Report. A preliminary report ("Preliminary Report") dated no earlier than thirty (30) days before the Effective Date covering the Property and issued by Orange Coast Title Company, 1551 N. Tustin Avenue, Suite 300, Santa Ana, California 92705 ("Title Company"), together with a legible copy (as reasonably obtainable) of all exceptions to title shown in the Preliminary Report, including each document, map, and survey referred to in the Preliminary Report.

3.1.2. Surveys. Any survey of the Property in Seller's possession or control.

3.1.3. Agreements. Copies of all unrecorded leases, rental agreements, tenant rolls, written easements, covenants, restrictions, agreements, service contracts, and other documents that affect the Property and that will continue to affect the Property after Closing.

3.1.4. Licenses and Permits. Copies of any governmental licenses, permits, or certificates issued in connection with construction or occupancy of the Improvements, including

without limitation building permits, certificates of completion, certificates of occupancy, and environmental permits and licenses, that are in Seller's possession or control.

3.1.5. Plans. Copies of any existing construction drawings, as-built plans, and specifications for the Property that are in Seller's possession or control.

3.1.6. Materials Related to Condition of the Property. Any environmental impact reports, "Phase I" or "Phase II" reports, or environmental site assessments concerning hazardous materials on the Property, complaints or notices of the presence of hazardous materials on the Property, geological surveys, soil tests, engineering reports, inspection results, complaints, or notices received from any person or governmental agency regarding the safety of the Property, to the extent such documents are in Sellers' possession or control.

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

3.2. Buyer's Approval of Preliminary Documents. Buyer's obligation to purchase the Property is expressly conditioned on its approval, in its sole discretion, of the matters disclosed in the Preliminary Documents. Buyer will have until the date that is four (4) business days after the Preliminary Document Date ("Contingency Date") to review the Preliminary Documents and to decide whether to approve the matters disclosed in the Preliminary Documents. On or before the Contingency Date, Buyer will deliver written notice to Seller either accepting the matters disclosed in the Preliminary Documents or terminating this Agreement. If Buyer fails to give such notice on or before the Contingency Date, Buyer will be deemed to have elected to terminate this Agreement.

3.3. Intentionally Omitted.

3.4. Approval of Title. Buyer's obligation to purchase the Property is expressly conditioned on Buyer's approval, in its sole discretion, of the condition of title of the Property in accordance with the following procedure:

3.4.1. Permitted Exceptions. The following exceptions shown on the Preliminary Report are permitted ("Permitted Exceptions"): (a) exceptions for a lien for local real estate taxes and assessments not yet due or payable; (b) the standard preprinted exceptions and exclusions of the Title Company; (c) any other exception shown on the Preliminary Report, other than exceptions for monetary liens, which Buyer does not object to by delivery of written notice to Seller on or before the Contingency Date ("Buyer's Title Notice"), or as otherwise provided in this Section 3.4. All exceptions on the Preliminary Report other than the Permitted Exceptions will be "Title Objections." If Buyer fails to deliver Buyer's Title Notice within the time specified in this Section 3.4, Buyer will be deemed to have elected to proceed with the purchase of the Property, waive such Title Objection, and accept the exception shown in the Preliminary Report as a Permitted Exception.

3.4.2. Title Objections. With respect to any Title Objection, Seller will have four (4) business days after receipt of Buyer's Title Notice to give notice to Buyer in writing ("Seller's Title Notice"), stating either (a) the manner in which Seller will remove or cure such Title Objection or (b) that Seller will not remove or cure such Title Objection. If Seller fails to deliver



Seller's Title Notice within the time specified in this Section 3.4, Seller will be deemed to have elected not to remove or cure such Title Objection. Despite the foregoing, Seller agrees to remove all liens securing the payment of money that encumber the Property.

3.4.3. Seller Elects Not to Cure. If Seller elects not to cure or remove a Title Objection (or is deemed to have so elected), then Buyer, not later than four (4) business days prior to the Closing Date, shall deliver a written notice to Seller ("Buyer's Election Notice") of Buyer's election either to (a) proceed with the purchase of the Property, waive such Title Objection, and accept the exception shown in the Preliminary Report as a Permitted Exception, or (b) terminate this Agreement. If Buyer fails to deliver Buyer's Election Notice within the time specified in this Section 3.4, Buyer will be deemed to have elected to proceed with the purchase of the Property, waive such Title Objection, and accept the exception shown in the Preliminary Report as a Permitted Exception.

3.4.4. Additional Encumbrances. If any encumbrance or other exception to title arises or is discovered after the delivery of the Preliminary Report ("Additional Encumbrance"), the Party discovering such Additional Encumbrance must promptly give written notice to the other Party. No later than five (5) business days after receipt of the notice of such Additional Encumbrance, Buyer will deliver a new Buyer's Title Notice to Seller specifying whether the Additional Encumbrance is a Title Objection or a Permitted Exception. If Buyer objects to the Additional Encumbrance, the parties will proceed in the same manner as set forth above for Title Objections arising from the Preliminary Report. If Buyer fails to deliver Buyer's Election Notice within the time specified in this Section 3.4, Buyer will be deemed to have elected to proceed with the purchase of the Property, waive such Title Objection, and accept the exception shown in the Preliminary Report as a Permitted Exception.

3.4.5. Seller's Failure to Remove Title Objection. If Seller is obligated or elects to cure or remove a Title Objection and fails to do so at least three (3) business days before the Closing Date, or fails to show that it will be able to do so on Closing, then Seller will be in default under this Agreement, and Buyer will have all its rights and remedies provided by this Agreement.

3.5 Intentionally Omitted.

3.6. Review of Preliminary Documents and Physical Condition.

3.6.1. Due Diligence. Buyer's obligation to purchase the Property is expressly conditioned on its approval, in its sole discretion, of the condition of the Property and all other matters concerning the Property, including without limitation economic, financial, and accounting matters relating to or affecting the Property or its value, and the physical and environmental condition of the Property. Buyer will have until the Contingency Date to conduct such investigations as Buyer may choose ("Due Diligence") to determine, in its sole discretion, whether this contingency is met. On or before the Contingency Date, Buyer will deliver written notice to Seller accepting the Property or terminating this Agreement. If Buyer fails to give such notice on or before the Contingency Date, Buyer will be deemed to have waived such Contingency and elected to proceed with the purchase of the Property.

3.6.2. Access to Property. As part of its Due Diligence, Buyer may investigate economic, financial, and accounting matters relating to or affecting the Property or its value, and conduct inspections, tests, and studies with respect to the physical and environmental condition of the Property. Buyer and Buyer's consultants, agents, engineers, inspectors, contractors, and employees ("Buyer's Representatives") must be given reasonable access to the Property during regular business hours for the purpose of performing such Due Diligence. Buyer will undertake the Due Diligence at its sole cost and expense. Buyer will indemnify and hold Seller harmless



from all claims (including claims of lien for work or labor performed or materials or supplies furnished), demands, liabilities, losses, damages, costs, fees, and expenses, including Seller's reasonable attorneys' fees, costs, and expenses, arising from the acts or activities of Buyer or Buyer's Representatives while conducting any investigation on or about the Property during or arising in connection with Buyer's physical inspections of the Property. Buyer will conduct its inspections with due regard to the rights and operations of existing occupants, and will use reasonable care and make reasonable accommodations to avoid any damage or interruption to the existing occupants. Buyer will repair any damage caused by its inspections. Notwithstanding anything hereunder to the contrary, in no event shall Buyer be liable to Seller for (i) any injury or damage to, or interference with, Seller's business (including, but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use) or (ii) any other consequential or special damages.

3.7. Termination for Failure of a Contingency. If this Agreement is terminated or deemed to be terminated for failure of any of Sections 3.1 through 3.6, inclusive, of this Article 3 (each, a "Contingency"; together, the "Contingencies"), then immediately on written notice from Buyer, Escrow Holder must refund the Deposit to Buyer without offset for any charges or claims. Any cancellation fee or other costs of the Escrow Holder or the Title Company resulting from this termination for failure of a Contingency will be borne equally by Seller and Buyer, and each Party must pay its own expenses.

#### **ARTICLE 4 SELLER'S PRE-CLOSING COVENANTS**

4.1. No Amendments or Agreements. On or after the Effective Date, Seller will not (a) amend or waive any right under any Preliminary Document or (b) enter into any lease or other agreement of any type affecting the Property that would survive the Closing Date, without Buyer's prior written consent. Before the Contingency Date, Buyer may not unreasonably withhold its consent under this Section 4.1; after the Contingency Date, however, Buyer will have sole discretion in all such matters.

4.2. Insurance. Through the Closing Date, Seller must maintain or cause to be maintained in full force and effect comprehensive general liability casualty and other insurance on the Property in an amount not less than the full replacement cost of the Improvements. Seller may satisfy this Section 4.2 through a program of self-insurance or a blanket policy(ies) covering other properties owned by Seller.

4.3. Maintenance and Operation. Seller, at its sole cost and expense, must use reasonable efforts to maintain and keep the Property such that on the Closing Date the Property is in at least as good condition and repair as on the Effective Date, reasonable wear and tear excepted. Seller will not give its permission or consent for any material alterations to the Property by a tenant, and will not itself make any material alterations, without Buyer's prior written consent.

4.4. Mechanics' Liens. On or before the Closing, if required by the Title Company, Seller must provide the Title Company with such indemnifications or security as it may require to insure title to the Property at the Closing without exception for any unrecorded labor, materialmen's, or mechanics' claim of lien other than such matters as may result from Buyer's activities.

4.5. Access to Property. Buyer and Buyer's representatives, agents, and designees will have the right at all reasonable times until Closing to enter the Property as provided in Section 3.6.2.

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

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

## ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1. Seller's Representations and Warranties. Seller hereby represents and warrants that each of the following is true as of the Effective Date and will be true as of the Closing Date, unless Seller has notified Buyer otherwise in writing promptly after the discovery of facts making any of the following untrue:

5.1.1. Documents. All Preliminary Documents delivered to Buyer under Section 3.1, and all other documents delivered to Buyer by or on behalf of Seller, are true, correct, and complete copies of what they purport to be.

5.1.2. Litigation. Seller does not know of any pending or threatened litigation the adverse determination of which would challenge the validity of or otherwise materially adversely affects the transactions contemplated by this Agreement. Seller has not been advised in writing of a threat to institute such litigation.

5.1.3. Governmental Action. Seller has no knowledge of, nor has Seller received written notice of, any plan, study, or effort by any agency or third party that in any way would materially affect the use of the Property or any portion of it for its current use, or of any intended public improvements that would result in any charge being levied against, or any lien assessed on, the Property. Seller has no knowledge of any existing, proposed, or contemplated plan to widen, modify, or realign any street or highway contiguous to the Property.

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

5.1.5. Utilities. To the best of Seller's knowledge, all water, sewer, gas, electric, telephone, drainage facilities, and all other utilities required by law or by the normal operation of the Property are adequate to service the Property in its current condition.

5.1.6. Due Authorization. This Agreement and the performance of Seller's obligations under it and all documents executed by Seller that are to be delivered to Buyer at the Closing are, or on the Closing Date will be, duly authorized, executed, and delivered by Seller and are, or at the Closing Date will be, legal, valid, and binding obligations of Seller, and do not, and on the Closing Date will not, violate any provision of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject. No consent of any third party is required for Seller to enter into or to perform Seller's obligations under this Agreement, except as has already been obtained.

5.1.7. Title to the Property. Seller has good and marketable title to the Property subject to exceptions of record and as may be disclosed by an inspection of the Property. To the best of Seller's knowledge, there are no unrecorded or undisclosed legal or equitable interest in the Property owned or claimed by anyone other than Seller. Seller represents and warrants that no one



will, at the Closing, have any right to possession of the Property, except as otherwise agreed to in writing to Buyer.

5.1.8. Hazardous Wastes. Seller has disclosed to Buyer, on or before the Preliminary Document Date, any previous written professional reports described in Section 3.1.6. In addition, Seller represents and warrants to Buyer, that (i) to Seller's current actual knowledge without duty of investigation, as of the Effective Date, the Property is in compliance with all Hazardous Materials Laws and (ii) Seller has no current actual knowledge of any claim having been made by any governmental agency that a violation of the Hazardous Materials Laws exists with regard to the Property of the Effective Date. Without limiting the foregoing, Buyer may make its own investigation of compliance with or violation of any federal, state, or local law, ordinance, or regulation relating to industrial hygiene or to the environmental conditions on, under, or about the Property, including but not limited to soil and groundwater conditions, and environmental, health, or safety hazards on, under, or about the Property, including but not limited to soil and groundwater conditions and/or any underground tank, and/or whether any person has used, generated, manufactured, treated, stored, placed, deposited, or disposed of on, under, or about the Property or transported to or from the Property any flammable explosives, radioactive materials, hazardous wastes, toxic substances, or related materials ("Hazardous Materials"), which for purposes of this Agreement include, but are not limited to, substances defined as "hazardous substances," "hazardous materials," "toxic substances" or "hazardous wastes" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 United States Code §9601 *et seq.*); the Hazardous Materials Transportation Safety and Security Reauthorization Act (49 United States Code §5101 *et seq.*); the Resource Conservation and Recovery Act (42 United States Code §6901 *et seq.*); substances defined as "hazardous wastes" in California Health and Safety Code §25117 or as "hazardous substances" in California Health and Safety Code §25316; and chemicals known to cause cancer or reproductive toxicity as published in the Safe Drinking Water and Toxic Enforcement Act of 1986 (California Health and Safety Code §25249.5 *et seq.*); and in the regulations adopted and publications promulgated under each of the aforesaid laws (collectively, the "Hazardous Materials Laws"). If this Agreement is terminated for any reason before the Closing, Buyer shall provide copies to Seller of any environmental site assessment reports (i.e., Phase I Environmental Site Assessment) caused to be performed by Buyer about the Property pursuant to this Section 5.1.8 within five (5) business days after the date of such termination. Except as to disclosure of prior written professional reports as described in Section 3.1.6 and except for Seller's representations and warranties herein, the Property shall be taken by Buyer in its AS-IS condition in regard to Hazardous Materials and all matters described above in this Section.

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

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

5.2.1. Due Authorization. This Agreement and the performance of Buyer's obligations under it and all the documents executed by Buyer that are to be delivered to Seller at the Closing on the Closing Date will be duly authorized, executed, and delivered by Buyer and at the Closing Date will be, legal, valid, and binding obligations of Buyer, and on the Closing Date will not violate any provisions of any agreement or judicial order to which Buyer is a party or to which Buyer is subject. No consent of any third party is required for Buyer to enter into or to perform Buyer's obligations under this Agreement, except as has already been obtained.

5.3. Effect of Representations and Warranties. Each representation and warranty made by Buyer in this Article 5 (a) is material and being relied on by Seller, (b) is true in all respects as

of the Effective Date, (c) must be true in all respects on the Closing Date, and (d) will survive the Closing, except as otherwise provided in this Agreement.

5.4. "As Is" Purchase. EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, BUYER HAS AGREED TO AND DOES PURCHASE THE PROPERTY AND ACCEPT POSSESSION OF THE PROPERTY ON THE CLOSING DATE ON AN "AS IS" BASIS.

## ARTICLE 6 CLOSING CONDITIONS

6.1. Buyer's Closing Conditions. All obligations of Buyer under this Agreement are subject to the fulfillment, determined in Buyer's sole and absolute discretion, before or at the Closing, of each of the following conditions ("Buyer's Closing Conditions"). Buyer's Closing Conditions are solely for Buyer's benefit and any or all of Buyer's Closing Conditions may be waived in writing by Buyer in whole or in part without prior notice.

6.1.1. Title. It is a Buyer's Closing Condition that, on the Closing Date, Seller convey to Buyer marketable and insurable title to the Property by execution and delivery of a grant deed in the form attached to this Agreement as Exhibit B ("Deed") and cause to be delivered to Buyer from the Title Company an ALTA Owner's Extended Coverage Policy of Title Insurance with liability in the full amount of the Purchase Price, insuring title to the Property to be vested in Buyer, subject only to the Permitted Exceptions ("Title Policy"). The Title Policy must also include such special endorsements or guaranties as Buyer may request and the Title Company agrees to provide, which special endorsements or guaranties shall be at Buyer's sole cost and expense. Seller must deliver to the Title Company such instruments, documents, releases, and agreements and must perform such other acts as Title Company may reasonably require in order to issue the Title Policy.

6.1.2. Liens. Buyer must have received a certified report, with copies of all documents, satisfactory to Buyer and Buyer's counsel, from the Title Company or a reputable lien search company indicating that there are no personal property liens of record on file with the Secretary of State of California, other than those that will be discharged at the Closing, as of a date no more than ten (10) business days before the Closing Date, and a confirmation dated no more than three (3) business days before the Closing Date that no further liens have been filed since the date of the certified report.

6.1.3. Seller's Representations, Warranties, and Covenants. The representations and warranties of Seller in this Agreement must be true in all material respects on and as of the Closing Date with the same effect as if such representations and warranties had been made on and as of the Closing Date. Seller must have performed and complied with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by it before or on the Closing Date.

6.1.4. Closing Documents. Seller must have delivered to Escrow the documents and funds it is required to deliver through Escrow at Closing.

6.1.5. Hazardous Material. Buyer's approval of the results of its environmental assessment that the Property is free of Hazardous Materials of the Closing Date.

6.1.6 Approval of Governing Board. The governing board of Buyer, at a public hearing duly noticed and held, has approved the form, terms and conditions of this Agreement and has authorized or ratified the execution and delivery of this Agreement.



6.2. Seller's Closing Conditions. Seller's obligation to sell the Property is expressly conditioned on the fulfillment of each condition precedent at or before the Closing ("Seller's Closing Conditions"). Seller's Closing Conditions are solely for Seller's benefit and any of Seller's Closing Conditions may be waived in writing by Seller in whole or in part without prior notice.

6.2.1. Approval of Governing Board. The governing board of Seller, at a public hearing duly noticed and held, has approved the form, terms and conditions of this Agreement and has authorized or ratified the execution and delivery of this Agreement.

6.2.2. Approval of Contingencies. It is a Seller's Closing Condition that Buyer must have acknowledged its approval or waiver of all Contingencies as required under Article 3.

6.2.3. Purchase Price. Buyer must have delivered the Purchase Price to Escrow.

6.2.4. Delivery of Closing Documents and Funds. Buyer must have delivered to Escrow the documents and funds specified in Section 7.4.

6.2.5. Buyer's Representations, Warranties, and Covenants. The representations and warranties of Buyer in this Agreement must be true in all material respects on and as of the Closing Date with the same effect as if such representations and warranties had been made on and as of the Closing Date. Buyer must have performed and complied with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by it before or on the Closing Date.

6.3. Termination for Failure of a Condition. If Buyer's Closing Conditions or Seller's Closing Conditions, as the case may be, have not been previously approved or waived, this Agreement may be terminated by the Party in whose favor the Closing Condition runs by written notice to the other. If this Agreement is so terminated, the parties will have no further obligation or liability under this Agreement, except as provided in Article 9 and this Section 6.3. Subject to Buyer's obligations and covenants under Section 6.2 and subject to Article 9, on such termination, Escrow Holder must return the Deposit to Buyer, except any portion that has become nonrefundable pursuant to Section 2.2.2. Any cancellation fee or other costs of the Escrow Holder and Title Company will be borne equally by Seller and Buyer and each Party will pay its own expenses. Except to the extent this Agreement provides for their survival after Closing, Closing waives all Buyer's Closing Conditions and all Seller's Closing Conditions.

## ARTICLE 7 CLOSING

7.1. Escrow. The Escrow will be opened with the Escrow Holder within five (5) business days after the Effective Date ("Escrow Opening Date"). Buyer and Seller will, promptly on the Escrow Holder's request, execute such additional Escrow instructions as are reasonably required to consummate the transaction contemplated by this Agreement and are not inconsistent with this Agreement.

7.2. Closing Definitions.

7.2.1. Definition. The "Closing" means the exchange of money and documents as described in this Article 7, and will be deemed to have occurred when Seller's Deed to Buyer has been recorded, the Escrow Holder holds and can record and deliver the remaining documents described in this Article 7, the Title Company is irrevocably and unconditionally committed to

issue the Title Policy, and Buyer has delivered the Purchase Price in immediately available funds to Escrow Holder.

7.2.2. Closing Date. Seller and Buyer agree that the Closing will occur on the "Closing Date." The Closing Date will be the first business day following the date that is thirty (30) days after the Escrow Opening Date. Any earlier date for Closing will only be by written agreement of both parties. The Closing will be at the offices of Escrow Holder or such other place as the parties may agree.

7.2.3. Closing Date Extension. Either Party shall have the option to extend escrow by fifteen (15) days after the scheduled Closing Date upon giving the other Party not less than seven (7) days advance notice of exercise of this option to extend escrow. Upon either Party validly exercising this option to extend escrow as provided in this Section 7.2.3, the "Closing Date" for all purposes under this Agreement shall thereafter be the date that is forty-five (45) days after the Escrow Opening Date.

7.3. Seller's Deposit of Documents and Funds. Seller must deposit into Escrow the following documents duly executed by Seller in form and substance reasonably satisfactory to Buyer:

7.3.1. Deed. The duly executed and acknowledged Deed conveying the Property to Buyer subject only to the Permitted Exceptions;

7.3.2. Intentionally Omitted.

7.3.3. Nonforeign Certification. Certificates required by Section 1445 of the Internal Revenue Code of 1986, and the California Revenue and Taxation Code Section 18662, executed by Seller and in a form satisfactory to Buyer (Nonforeign Certification), to relieve Buyer of any potential transferee's withholding liability under such statutes;

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

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

7.4. Buyer's Deposit of Documents and Funds. Buyer must deposit into Escrow the following funds and documents duly executed by Buyer in form and substance reasonably satisfactory to Seller:

7.4.1. Purchase Price. The Purchase Price in accordance with Article 2 (including the credit set forth in Section 2.4), plus or minus prorations as provided in Section 7.7;

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

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

7.5. Closing. When the Escrow Holder receives all documents and funds identified in Sections 7.3 and 7.4, and the Title Company is ready, willing, and able to issue the Title Policy, then, and only then, the Escrow Holder will close Escrow by:

7.5.1. Recording the Deed;

7.5.2. Issuing the Title Policy to Buyer;

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

7.5.4. Paying the Purchase Price to Seller, plus or minus prorations under Section 7.7; and

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

7.6. Intentionally Omitted.

7.7. Prorations. All receipts and disbursements of the Property will be prorated as of 11:59 p.m. on the day immediately preceding the Closing Date and the Purchase Price will be adjusted on the following basis:

7.7.1. Property Taxes. All real and personal property ad valorem taxes and special assessments, if any, whether payable in installments or not, including without limitation all supplemental taxes attributable to the period before the Closing Date for the calendar year in which the Closing occurs will be prorated to the Closing Date, based on the latest available tax rate and assessed valuation.

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

7.8. Closing Costs. Closing costs will be allocated as follows:

7.8.1. Seller will pay all costs associated with removing any debt encumbering the Property;

7.8.2. Escrow costs will be shared equally by Seller and Buyer;

7.8.3. Seller will pay the cost of the Title Policy;

7.8.4. Buyer will pay the cost of recording the Deed;

7.8.5. Buyer will pay any sales tax; and



7.8.6. The documentary transfer tax and any municipal transfer tax will be paid in accordance with the custom and practice in Los Angeles County.

7.9. Broker's Commission; Indemnity. Neither Party has had any contact or dealings regarding the Property, or any communication in connection with the subject matter of this transaction, through any licensed real estate broker or person, other than the Broker, who can claim a commission or finder's fee as a procuring cause of the sale contemplated in this Agreement. If any other broker or finder perfects a claim for a commission or finder's fee based on any contract, dealings, or communication with a Party ("Indemnifying Party"), then the Indemnifying Party must indemnify, defend, and hold the other Party ("Nonindemnifying Party") harmless from all costs and expenses (including reasonable attorney fees and costs of defense) incurred by the Nonindemnifying Party in connection with such claim.

## ARTICLE 8 RISK OF LOSS

8.1. Condemnation. If before the Closing Date any action or proceeding is commenced by any third party other than Buyer for the condemnation or exercise of the rights of eminent domain of the Property or any portion of it, or if Seller is notified by the duly authorized officer of a duly empowered condemning authority (other than Buyer) of the intent to commence such action or proceeding ("Condemnation") and if such Condemnation would materially and adversely affect the use or operation of the Property, have the effect of decreasing the square footage of the Improvements, or reduce or eliminate access to the Property, then Buyer may either (a) terminate this Agreement or (b) proceed with the Closing without modifying the terms of this Agreement and without reducing the Purchase Price, on the condition that Seller must assign and turn over, and Buyer will be entitled to keep, all awards for the Condemnation that accrue to Seller. In regard to condemnation by any person other than the Buyer or agencies of the Buyer, Seller may not negotiate, resist, or stipulate to any Condemnation without Buyer's written consent. Seller must notify Buyer of any notice of Condemnation of all or any portion of the Property within five (5) days after the receipt of the notice of Condemnation, and Buyer must exercise its option(s) as provided in this Section 8.1 within fifteen (15) days after receipt of such notice. If necessary, the Closing Date will be extended to give Buyer the full 15-day period to make such election.

8.2. Damage and Destruction. If before the Closing Date any damage or destruction of the Property, or any portion of it, will have occurred, Seller shall be entitled to retain all insurance proceeds or other benefits accruing thereby, and Buyer shall nonetheless proceed to Closing at the agreed Purchase Price.

## ARTICLE 9 REMEDIES FOR DEFAULT

9.1. Buyer's Default. Buyer will be deemed to be in default under this Agreement (a) if Buyer fails, for any reason other than Seller's default under this Agreement or the failure of a condition precedent to Buyer's obligation to perform under this Agreement, to meet, comply with, or perform any covenant, agreement, or obligation required on its part within the time limits and in the manner required in this Agreement, or (b) if a material breach of any representation or warranty (made by Buyer) has occurred by reason of Buyer's actual fraud or intentional misrepresentation; provided, however, that, except for a default by Buyer's failure to deposit into Escrow all funds and/or documents required to permit the Closing to occur on the Closing Date, which default shall require no notice, no such default will be deemed to have occurred unless and until Seller has given Buyer written notice of the default, describing the nature of the default, and Buyer has failed to cure such default within ten (10) business days after the receipt of such notice (but in any event before the Closing Date, unless such default occurs after Closing).



9.2. REMEDIES FOR BUYER'S DEFAULT. IF THE CLOSING FAILS TO OCCUR BECAUSE OF BUYER'S DEFAULT UNDER THE TERMS OF THIS AGREEMENT IF SUCH DEFAULT IS NOT CURED BY BUYER WITHIN SEVEN BUSINESS DAYS FOLLOWING RECEIPT OF WRITTEN NOTICE TO PERFORM FROM SELLER, BUYER WILL BE RESPONSIBLE FOR ALL CANCELLATION CHARGES REQUIRED TO BE PAID TO ESCROW HOLDER AND ANY ESCROW CHARGES. IN ADDITION, THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES WILL TERMINATE AND THE AMOUNT OF THE DEPOSIT WILL BE IMMEDIATELY DELIVERED BY ESCROW HOLDER TO SELLER ON SELLER'S REQUEST. THAT AMOUNT WILL BE DEEMED LIQUIDATED DAMAGES FOR BUYER'S NONPERFORMANCE AS SELLER'S SOLE AND EXCLUSIVE REMEDY AGAINST BUYER (INCLUDING, WITHOUT LIMITATION, SELLER'S RIGHTS TO SEEK SPECIFIC PERFORMANCE OF THIS AGREEMENT AND TO RECEIVE DAMAGES) FOR BUYER'S FAILURE TO PURCHASE THE PROPERTY, WHICH SUM WILL BE PRESUMED TO BE A REASONABLE ESTIMATE OF THE AMOUNT OF ACTUAL DAMAGES SUSTAINED BY SELLER BECAUSE OF BUYER'S BREACH OF ITS OBLIGATION TO PURCHASE THE PROPERTY. FROM THE NATURE OF THIS TRANSACTION, IT IS IMPRACTICABLE AND EXTREMELY DIFFICULT TO FIX THE ACTUAL DAMAGES THAT SELLER WOULD SUSTAIN IF BUYER BREACHES SUCH OBLIGATION. THE IMPRACTICABILITY AND DIFFICULTY OF FIXING ACTUAL DAMAGES IS CAUSED BY, WITHOUT LIMITATION, THE FACT THAT THE PROPERTY IS UNIQUE. GIVEN THE FOREGOING FACTS, AMONG OTHERS, BUYER AND SELLER AGREE THAT LIQUIDATED DAMAGES ARE PARTICULARLY APPROPRIATE FOR THIS TRANSACTION AND AGREE THAT SAID LIQUIDATED DAMAGES MUST BE PAID IN THE EVENT OF BUYER'S BREACH OF ITS OBLIGATION TO PURCHASE THE PROPERTY, DESPITE ANY WORDS OR CHARACTERIZATIONS PREVIOUSLY USED OR CONTAINED IN THIS AGREEMENT IMPLYING ANY CONTRARY INTENT. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTION 3275 OR 3369 BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER UNDER CALIFORNIA CIVIL CODE SECTIONS 1671, 1676, AND 1677. NOTHING IN THIS AGREEMENT WILL, HOWEVER, BE DEEMED TO LIMIT BUYER'S LIABILITY TO SELLER FOR DAMAGES FOR BREACH OF BUYER'S INDEMNITY OBLIGATIONS UNDER SECTION 3.6.2.

WE ACKNOWLEDGE AND AGREE TO THIS LIQUIDATED DAMAGES PROVISION:

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

BUYER'S INITIALS: \_\_\_\_\_

9.3. Seller's Default. Seller will be deemed to be in default under this Agreement (a) if Seller fails, for any reason other than Buyer's default under this Agreement or the failure of a condition precedent to Seller's obligation to perform under this Agreement, to meet, comply with, or perform any covenant, agreement, or obligation required on its part within the time limits and in the manner required in this Agreement, or (b) if a material breach of any representation or warranty (made by Seller) has occurred because of Seller's actual fraud or intentional misrepresentation; provided, however, that, except for a default by Seller's failure to deposit into Escrow all funds and/or documents required to permit the Closing to occur on the Closing Date, which default shall require no notice, no such default will be deemed to have occurred unless and until Buyer has given Seller written notice of the default, describing its nature, and Seller has failed to cure such default within ten (10) days after receipt of such notice (but in any event before the Closing Date, unless such default occurs after Closing).

9.4. Remedies for Seller's Default. If Seller defaults in its obligations under this Agreement to sell the Property to Buyer on the Closing Date through no fault of Buyer, and such default prevents Closing, then Buyer shall have the right to specific performance of this Agreement or the right to recover the Deposit and terminate this Agreement without further claims. If such default does not prevent Closing, then Buyer may either proceed with Closing and waive the default or terminate this Agreement and recover the Deposit as its sole remedy.

## ARTICLE 10 GENERAL

10.1. Notices. Any notices relating to this Agreement must be given in writing and will be deemed sufficiently given and served for all purposes when delivered personally, by generally recognized overnight courier service, by facsimile (provided that sender retains a printed confirmation of delivery to the facsimile number provided below), or by email (provided Seller has proof of sending), addressed or sent as follows:

SELLER: Los Angeles County Board of Education  
c/o Los Angeles County Office of Education  
Attn: Roberta Stephens  
12830 Columbia Way  
Downey, CA 90242  
Email: Stephens\_Roberta@lacoedu

With a copy to

Los Angeles County Office of Education  
Attn: Patrick Saldana  
12830 Columbia Way  
Downey, CA 90242  
Email: Saldana\_Patrick@lacoedu

BUYER: South Gate Housing Authority  
8650 California Avenue  
South Gate, CA 90280  
Attn: Joe Perez, Director of Community Development  
Email: jperez@sogate.org

With a copy to:

South Gate Housing Authority  
8650 California Avenue  
South Gate, CA 90280  
Attn: Raul F. Salinas, Authority Counsel  
Email: rsalinas@sogate.org

and to

AlvaradoSmith  
Attn: Jerry J. Ruiz  
633 W. Fifth Street, Suite 900  
Los Angeles, CA 90071  
Email: [jruiz@alvaradosmith.com](mailto:jruiz@alvaradosmith.com)

and to

South Gate Housing Authority  
8650 California Avenue  
South Gate, CA 90280  
Attn: Carmen Avalos, Recording Secretary  
Email: [cavalos@sogate.org](mailto:cavalos@sogate.org)

ESCROW HOLDER: Orange Coast Title Company  
1551 N. Tustin Avenue, Suite 300  
Santa Ana, California 92705

Either Party may change its address or any part thereof by written notice to the other given in the manner set forth above.

10.2. Entire Agreement. This Agreement and all exhibits referred to in this Agreement constitute the complete, exclusive, and final statement of the terms of the agreement with respect to the sale of the Property between Buyer and Seller and may not be contradicted by evidence of any prior or contemporaneous agreement. This Agreement specifically supersedes any prior written or oral agreements between the parties. The language in all parts of this Agreement will be construed as a whole in accordance with its fair meaning and without regard to California Civil Code Section 1654 or similar statutes. Neither Party has been induced to enter into this Agreement by, and neither Party is relying on, any representation or warranty outside those expressly set forth in this Agreement.

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

10.4. Invalidity of Provision. If any provision of this Agreement as applied to either Party or to any circumstance is adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, this fact will in no way affect (to the maximum extent permissible by law) any other provision of this Agreement, the application of any such provision under circumstances different from those adjudicated by the court, or the validity or enforceability of this Agreement as a whole.

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

10.6. References. Unless otherwise indicated, (a) all article and section references are to the articles and sections of this Agreement, and (b) except where otherwise stated, all references to days are to calendar days. Whenever under the terms of this Agreement the time for performance of a covenant or condition falls on a Friday, Saturday, Sunday, or California state holiday, such time for performance will be extended to the next business day. "Business day" means a day other than Friday, Saturday, Sunday, and California state holidays as published by the California Secretary of State. The headings used in this Agreement are provided for convenience only and this Agreement will be interpreted without reference to any headings. The



date of this Agreement is for reference purposes only and is not necessarily the date on which it was entered into.

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

10.8. Time. Time is of the essence in the performance of the parties' respective obligations under this Agreement.

10.9. Attorneys' Fees. In the event of any action or proceeding to enforce a term or condition of this Agreement, any alleged disputes, breaches, defaults, or misrepresentations in connection with any provision of this Agreement or any action or proceeding in any way arising from this Agreement, including any interpleader of the Deposit by the Escrow Holder, the prevailing party in such action, or the nondismissing party when the dismissal occurs other than by a settlement, will be entitled to recover its reasonable costs and expenses, including without limitation reasonable attorneys' fees and costs of defense paid or incurred in good faith. The "prevailing party," for purposes of this Agreement, will be deemed to be that Party who obtains substantially the result sought, whether by settlement, dismissal, or judgment.

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

10.11. No Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any person other than the parties to it and their respective permitted successors and assigns, nor is anything in this Agreement intended to relieve or discharge any obligation of any third person to any Party to this Agreement or give any third person any right of subrogation or action over against any Party to this Agreement.

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

10.13. Counterparts. This Agreement may be executed by the Parties in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Executed copies of this Agreement sent by facsimile or transmitted electronically in either Tagged Image Format Files ("TIFF") or Portable Document Format ("PDF") or by DocuSign or other electronic document or signature (each "eSignature") that complies with the U.S. Electronic Signatures in Global and National Commerce Act (ESIGN) and the Uniform Electronic Transactions Act (UETA), each of which of the foregoing shall be treated as originals, fully binding and with full legal force and effect, and the parties waive any rights they may have to object to such treatment. Any Party delivering an executed counterpart of this Agreement by facsimile, TIFF, PDF, or eSignature also shall deliver a manually executed counterpart of this Agreement, but the failure to deliver a manually-executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

10.14. Interpretation. Throughout this Agreement: (a) the plural and singular numbers will each be considered to include the other; (b) the masculine, feminine, and neuter genders will each be considered to include the others; (c) "shall," "will," "must," "agrees," and "covenants" are each mandatory; (d) "may" is permissive; (e) "or" is not exclusive; and (f) "includes" and "including" are not limiting.



**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be executed and attested by their respective officers thereunto duly authorize.

**SELLER:**

**LOS ANGELES COUNTY BOARD OF EDUCATION**, a public body, corporate and politic

By: \_\_\_\_\_  
Patricia Smith, Chief Financial Officer

Dated: \_\_\_\_\_

**ATTEST:**

By: \_\_\_\_\_  
Jema Estrella, Director of Facilities and Construction

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Patrick Saldana, Deputy General Counsel

**BUYER:**

**SOUTH GATE HOUSING AUTHORITY**, a public body, corporate and politic

By: \_\_\_\_\_  
M. Belén Bernal, Chairperson

Dated: \_\_\_\_\_

**ATTEST:**

By: \_\_\_\_\_  
Carmen Avalos, Recording Secretary  
(SEAL)

**APPROVED AS TO FORM:**

By:  \_\_\_\_\_  
Raul F. Salinas, Authority Counsel

**CONSENT OF ESCROW HOLDER**

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

Date: \_\_\_\_\_

By: \_\_\_\_\_

## TABLE OF EXHIBITS

Exhibit A	Legal Description
Exhibit B	Form of Grant Deed
Exhibit C	Intentionally Omitted
Exhibit D	List of Excluded Personal Property

**EXHIBIT A**  
**LEGAL DESCRIPTION**

13050 PARAMOUNT BLVD, SOUTH GATE, CALIFORNIA

The Land referred to herein below is situated in the City of South Gate, County of Los Angeles, State of California, and is described as follows:

LOTS 1 AND 2 AND THE NORTHEASTERLY 31 1/2 FEET (MEASURED AT RIGHT ANGLES) OF LOT 3, BLOCK 1, OF TRACT 5501, IN THE CITY OF SOUTH GATE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 60, PAGE 85, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE NORTHEASTERLY 14.00 FEET (MEASURED AT RIGHT ANGLES) OF SAID LOT 1.

ALSO EXCEPTING THEREFROM THAT PORTION OF LOT 1, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF A LINE THAT IS PARALLEL WITH AND 14 FEET SOUTHERLY, MEASURED AT RIGHT ANGLES FROM THE NORTHERLY LINE OF SAID LOT 1, BLOCK 1, WITH THE EASTERLY LINE OF PARAMOUNT BOULEVARD (100 FEET WIDE) AS DESCRIBED IN DEED TO THE CITY OF SOUTH GATE RECORDED OCTOBER 17, 1949 AS INSTRUMENT NO. 2308 IN BOOK 31242, PAGE 366, OFFICIAL RECORDS, THENCE EASTERLY ALONG SAID PARALLEL LINE 15 FEET; THENCE SOUTHWESTERLY IN A DIRECT LINE TO A POINT IN THE SAID EASTERLY LINE OF PARAMOUNT BOULEVARD, DISTANT SOUTHERLY THEREON 15 FEET FROM THE POINT OF BEGINNING; THENCE NORTHERLY ALONG SAID PARAMOUNT BOULEVARD, 15 FEET TO THE SAID POINT OF BEGINNING.

For conveyancing purposes only: APN 6264-004-900



**EXHIBIT B**  
**GRANT DEED**

13050 PARAMOUNT BOULEVARD, SOUTH GATE, CALIFORNIA

**RECORDING REQUESTED BY:**

South Gate Housing Authority,  
a public body, corporate and public

**AND WHEN RECORDED MAIL TO:**

South Gate Housing Authority  
8650 California Avenue  
South Gate, CA 90280

No fee for recording pursuant to  
Government Code Section 27383

APN 6264-004-900

*SPACE ABOVE FOR RECORDER'S USE ONLY*

**SOUTH GATE HOUSING AUTHORITY**

**GRANT DEED**

**FOR VALUABLE CONSIDERATION**, the receipt of which is hereby acknowledged, **LOS ANGELES COUNTY BOARD OF EDUCATION**, a public body, corporate and politic (the "Grantor"), hereby grants and conveys to the **SOUTH GATE HOUSING AUTHORITY**, a public body, corporate and politic (the "Grantee"), all of the Grantor's right, title and interest in and to that certain real property legally described in EXHIBIT A attached to and by this reference incorporated into this Grant Deed (the "Property"), subject to all easements, rights-of-way, covenants, conditions, restrictions, reservations, and all other matters of record running with the land.

**IN WITNESS WHEREOF**, the Grantor has caused this Grant Deed to be executed by its authorized representative(s) on this \_\_\_\_ day of \_\_\_\_\_, 2020.

**GRANTOR:**

LOS ANGELES COUNTY BOARD OF  
EDUCATION, a public body, corporate and  
politic

Attest:

\_\_\_\_\_

Approved as to Form:

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT B**  
**GRANT DEED**

13050 PARAMOUNT BOULEVARD, SOUTH GATE, CALIFORNIA

**EXHIBIT A**  
**TO**  
**GRANT DEED**  
**(South Gate Housing Authority)**

Legal Description

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:

LOTS 1 AND 2 AND THE NORTHEASTERLY 31 1/2 FEET (MEASURED AT RIGHT ANGLES) OF LOT 3, BLOCK 1, OF TRACT 5501, IN THE CITY OF SOUTH GATE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 60, PAGE 85, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE NORTHEASTERLY 14.00 FEET (MEASURED AT RIGHT ANGLES) OF SAID LOT 1.

ALSO EXCEPTING THEREFROM THAT PORTION OF LOT 1, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF A LINE THAT IS PARALLEL WITH AND 14 FEET SOUTHERLY, MEASURED AT RIGHT ANGLES FROM THE NORTHERLY LINE OF SAID LOT 1, BLOCK 1, WITH THE EASTERLY LINE OF PARAMOUNT BOULEVARD (100 FEET WIDE) AS DESCRIBED IN DEED TO THE CITY OF SOUTH GATE RECORDED OCTOBER 17, 1949 AS INSTRUMENT NO. 2308 IN BOOK 31242, PAGE 366, OFFICIAL RECORDS, THENCE EASTERLY ALONG SAID PARALLEL LINE 15 FEET; THENCE SOUTHWESTERLY IN A DIRECT LINE TO A POINT IN THE SAID EASTERLY LINE OF PARAMOUNT BOULEVARD, DISTANT SOUTHERLY THEREON 15 FEET FROM THE POINT OF BEGINNING; THENCE NORTHERLY ALONG SAID PARAMOUNT BOULEVARD, 15 FEET TO THE SAID POINT OF BEGINNING.

For conveyancing purposes only: APN 6264-004-900

**CERTIFICATE OF ACCEPTANCE OF GRANT DEED**  
**Pursuant to California Government Code § 27281**  
**(South Gate Housing Authority)**

This is to certify that the interest in real property conveyed by the grant deed dated \_\_\_\_\_, 2020 from the Los Angeles County Board of Education, as Grantor, to the South Gate Housing Authority, a public body, corporate and politic, as Grantee, is hereby accepted by the undersigned officer on behalf of the South Gate Housing Authority pursuant to authority conferred by Resolution \_\_\_\_\_ of the South Gate Housing Authority adopted on \_\_\_\_\_, and the Grantee consents to recordation thereof by its duly authorized officer.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Title: M. Belén Bernal, Chairperson





**EXHIBIT C**  
**INTENTIONALLY OMITTED**

**13050 PARAMOUNT BOULEVARD, SOUTH GATE, CALIFORNIA**

**INTENTIONALLY OMITTED**

**EXHIBIT D**  
**LIST OF EXCLUDED PERSONAL PROPERTY**  
**13050 PARAMOUNT BLVD, SOUTH GATE, CALIFORNIA**

The Property shall not include the personal property listed below, which shall be the property of Seller and shall be removed from the Property prior to Closing.

1. FIVE (5) SHIPPING CONTAINERS LOCATED ON-SITE AND ALL CONTENTS CONTAINED THEREIN;
2. ALL EXTERIOR FENCING LOCATED ON THE PROPERTY, OWNED BY PILGRIM FENCE COMPANY, AND LEASED BY SELLER; AND
3. VARIOUS EQUIPMENT AND TOOLS OWNED BY SELLER.

ATTACHMENT C



BETTER COMMUNITIES. BOLDER FUTURES.

ROSENOW SPEVACEK GROUP INC.  
309 WEST 4TH STREET  
SANTA ANA, CALIFORNIA  
92701-4502

T 714 541 4585  
F 714 541 1175  
E INFO@WEBRSG.COM  
WEBRSG.COM

March 2, 2020

Via Electronic Mail

Roberta Stephens, Sr. Real Estate Specialist  
LOS ANGELES COUNTY OFFICE OF EDUCATION  
12830 Columbia Way  
Downey, CA 90242

**OFFER LETTER – 13050 PARAMOUNT BLVD, SOUTH GATE, CALIFORNIA**

Dear Ms. Stephens:

RSG (CalBRE #01930929) is authorized by the City of South Gate to present on its behalf this offer letter to purchase the fee simple absolute interest of the above-referenced property, subject to the terms and conditions outlined herein.

Subject Property: 13050 Paramount Blvd, South Gate (APN 6264-004-900)  
Southern corner of the intersection of Gardendale and Paramount  
57,310 sf, Map attached as Exhibit A

Purchase Price: **\$1,800,000 (\$31/sf)** – fee simple absolute, all cash

Property Condition: The Property shall be delivered in "as-is" condition

Contingencies: Property is free and clear of all tenants, parties in possession, encumbrances, conditions, covenants and restrictions that would affect the marketability or value, is free from environmental contamination, and is subject to review and approval by the City Council of South Gate.

Nothing in this offer shall be deemed to pre-commit the City Council of the City of South Gate and no decision to acquire can be finalized until the City Council formally acts to approve a purchase agreement. Should these terms be agreeable, please execute and return this letter as acceptance of said offer so that we may prepare a Purchase and Sale Agreement and schedule this matter for consideration by the City Council. This Offer Letter shall remain valid until March 3, 2020 at 5:00 PM PT and, unless accepted prior to such date and time as provided herein, shall thereafter be deemed revoked.

AGREED AND ACCEPTED

BUYER

*[Handwritten signature of Michael Flad]*  
\_\_\_\_\_  
Michael Flad, City Manager  
City of South Gate

March 2, 2020

SELLER

*[Handwritten signature of Patricia Smith]*  
\_\_\_\_\_  
By: Patricia Smith  
Chief Financial Officer  
Los Angeles County Office of Ed.

*3/3/20*  
\_\_\_\_\_  
/ Date

FISCAL HEALTH  
ECONOMIC DEVELOPMENT  
REAL ESTATE HOUSING  
AND HEALTHY COMMUNITIES

**CITY OF SOUTH GATE  
JOINT SPECIAL CITY COUNCIL/HOUSING AUTHORITY MEETING  
MINUTES  
TUESDAY, NOVEMBER 12, 2019**

- CALL TO ORDER** Mayor/Chairperson M. Belén Bernal called a Joint Special City Council/Housing Authority to order at 5:35 p.m.
- ROLL CALL** Sonia Guerrero, Recording Secretary
- PRESENT** Mayor/Chairperson M. Belén Bernal, Vice Chairperson Member Denise Diaz, Council/Authority Member Maria Davila, Council/Authority Member Al Rios and Council/Authority Member Bill De Witt; City Manager/Executive Director Michael Flad, Director of Community Development/Director of the South Gate Housing Authority Joe Perez, City Attorney/Legal Counsel Raul Salinas
- ABSENT** Carmen Avalos, City Clerk/Recording Secretary and City Treasurer Greg Martinez
- CLOSED SESSION** The Council/Authority Members recessed into Closed Session at 5:37 p.m. and reconvened at 5:53 p.m. with all Members of Council/Authority present. City Attorney/Legal Counsel Salinas reported the following:
1. CONFERENCE WITH LEGAL COUNSEL – REAL PROPERTY NEGOTIATIONS  
Pursuant to Government Code Section 54956.8  
  
Property APN: 6204-025-039  
Property Address: 9019 Long Beach Boulevard, South Gate, CA 90280  
City Negotiator: Michael Flad, City Manager  
Negotiating with: Jon Ungvari and Susan Ungvari, Trustees of the Ungvari Family Trust  
Under Negotiation: Terms of Purchase
- Staff provided an update to Council/Authority Members. Direction was provided, but there was no reportable action taken.
- RECESS** The City Council/Authority Members recessed at 5:53 p.m., and reconvened at 6:00 p.m., with all Members of Council/Authority present.



1

**DEVELOPMENT**

The City Council and South Gate Public Housing Authority unanimously approved A and B by motion of Mayor/Chairperson Bernal seconded by Council/Authority Member Rios.

- a. Adopted Resolution Nos. 7891/2019-01-HA entitled - Joint Resolution of the City Council of the City of South Gate and the South Gate Public Housing Authority approving the Purchase and Sale Agreement (Contract No. 2019-02-HA) for 9019 Long Beach Boulevard (APN 6204-025-039) between the South Gate Public Housing Authority and Jon Ungvari and Susan Ungvari, Trustees of the Ungvari Family Trust; and
- b. Authorized the Chairperson of the South Gate Public Housing Authority to execute the Purchase and Sale Agreement in a form acceptable to the City Attorney/Legal Counsel.

Mayor/Chairperson Bernal asked if anyone in the audience wished to speak on this item. Seeing no one step forward; Mayor/Chairperson Bernal closed the audience portion.

Joe Perez, Director of Community Development/Public Housing Authority stated that this is an agreement that lapsed due to potential environmental issues.

2

**MINUTES**

The City Council and South Gate Public Housing Authority approved the Joint Special Meeting minutes of December 11, 2018 by motion of Council/Authority Member Davila and seconded by Council/Authority Member Rios. Council/Authority Member De Witt abstained.

**ADJOURNMENT**

Council/Authority Member Davila motioned to adjourn the meeting at 6:03 p.m. and seconded by Council/Authority Member Rios.

**PASSED** and **APPROVED** this 28<sup>th</sup> day of April, 2020.

ATTEST:

\_\_\_\_\_  
Maria Davila, Mayor/Chairperson

\_\_\_\_\_  
Joseph Perez, Secretary

MINUTES FOR THE REGULAR MEETING OF THE  
HOUSING AUTHORITY OF THE CITY OF SOUTH GATE

TUESDAY, MARCH 24, 2020

**CALL TO ORDER** The meeting of the South Gate Housing Authority was called to order by Chairwoman Bernal at 6:40 p.m.

**ROLL CALL** Carmen Avalos, Recording Secretary

**PRESENT** Chairwoman M. Belén Bernal, Vice Chairwoman Denise Diaz, and Authority Member Al Rios, Authority Member Bill De Witt and Authority Member Maria Davila; Executive Director Michael Flad, Director of the Housing Authority Joe Perez, Legal Counsel Raul F. Salinas and Treasurer/Chief Financial Officer Jackie Acosta

**1  
REAL PROPERTY PURCHASES/  
ACQUISITION BY CITY**

The South Gate Housing Authority unanimously approved A and B by motion of Authority Member De Witt and seconded by Authority Member Davila.

- a. Resolution 2020-02-HA entitled - A Resolution of the Housing Authority of City of South Gate approving the Purchase and Sale Agreement (Contract No. 2020-02-HA) with the Los Angeles County Board of Education for the real property located at 13050 Paramount Boulevard, South Gate (APN 6264-004-900), former Rancho Market site; and
- b. Authorized the Chairperson to execute the Purchase and Sale Agreement in a form acceptable to the Authority Counsel.

**ROLL CALL:** Chairperson Bernal, yes; Vice Chairperson Diaz, yes; Authority Member Davila, yes; Authority Member De Witt, yes; Authority Member Rios, yes.

**2  
MINUTES**

The South Gate Housing Authority approved the meeting minutes of March 10, 2020 by motion of Authority Member Rios and seconded by Chairperson Bernal.

**ROLL CALL:** Chairperson Bernal, yes; Vice Chairperson Diaz, yes; Authority Member Davila, abstain; Authority Member De Witt, yes; Authority Member Rios, yes.

**3  
COMMENTS FROM  
THE AUDIENCE**

None.

**4**  
**COMMENTS FROM THE**  
**AUTHORITY MEMBERS**

None.

**ADJOURNMENT**

Chairperson Bernal adjourned the meeting at 6:53 p.m. and seconded by Vice Chairperson Diaz.

**ROLL CALL:** Chairperson Bernal, yes; Vice Chairperson Diaz, yes;  
Authority Member Davila, yes; Authority Member De Witt, yes;  
Authority Member Rios, yes.

**PASSED** and **APPROVED** this 28<sup>th</sup> day of April, 2020.

ATTEST:

---

Maria Davila, Chairperson

---

Joseph Perez, Secretary