


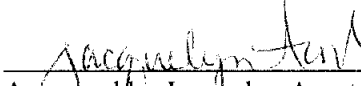


City of Carson Report to Mayor and City Council

January 21, 2014
Special Orders of the Day

SUBJECT: PUBLIC HEARING TO CONSIDER APPROVAL OF A PURCHASE AND SALE AGREEMENT BY AND BETWEEN THE CARSON HOUSING AUTHORITY AND GRAMERCY URBAN HOUSING, LLC FOR THE SALE OF AUTHORITY-OWNED PROPERTY LOCATED AT 21521 AVALON BLVD


Submitted by Jacquelyn Acosta
Acting City Manager


Approved by Jacquelyn Acosta
Acting City Manager

THIS IS A JOINT AGENDA ITEM

I. SUMMARY

The subject of this report is the Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions (Agreement) (Exhibit No. 1) by and between the Carson Housing Authority (Authority) and Gramercy Urban Housing, LLC (Developer), for the sale of the approximately 1.0-acre Authority-owned property located at 21521 Avalon Boulevard (Property) (Exhibit No. 2). The sale price is \$1,000,000.00, which is based on the appraised highest and best use fair market value.

The Developer desires to assemble the Property with its property at the northwest corner of Avalon Boulevard and Carson Street, and the Carson Successor Agency-owned property located at 615 E. Carson Street (Development Site). The Property will become part of a project that will be in accordance with the Carson Street Master Plan. There will be no Authority assistance in connection with this sale.

II. RECOMMENDATION

TAKE the following actions:

1. OPEN the joint Public Hearing, TAKE public testimony, and CLOSE the joint Public Hearing.
2. APPROVE the sale of the property located at 21521 Avalon Boulevard to Gramercy Urban Housing, LLC.
3. AUTHORIZE the Mayor to execute the Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions following approval as to form by City Attorney.

III. ALTERNATIVES

TAKE another action the City Council deems appropriate.

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IV. BACKGROUND

The former Carson Redevelopment Agency (RDA) purchased the Property in 2008 in hopes of developing a mixed-use project that would include the northwest corner of Carson Street and Avalon Boulevard and 615 E. Carson Street. The RDA was unable to secure the adjacent corner lot, thus a project never occurred. Upon dissolution of redevelopment in California, the Property became an Authority-owned property.

The Developer now desires to purchase the Property from the Authority to develop a mixed-use project on the entire Development Site in accordance with the Carson Street Master Plan. The project would include market rate housing, commercial/retail and restaurant uses.

There will be no Authority assistance provided with this sale. The funds received by the Authority for the Property will be used to facilitate another quality affordable housing project in Carson.

The sale price is \$1,000,000.00. The value was established by an independent highest and best use fair market appraisal dated December 9, 2013, by Goeppner and Associates, Inc. Staff recommends approval of the sale of the Property to the Developer.

V. FISCAL IMPACT

The Housing Authority will receive \$1,000,000.00 in sale proceeds.

VI. EXHIBITS

1. Vicinity Map. (pg. 4)
2. Purchase and Sale Agreement. (pgs. 5-40)

Prepared by: Amelia Soto, Acting Project Manager

TO: Rev11-25-2013

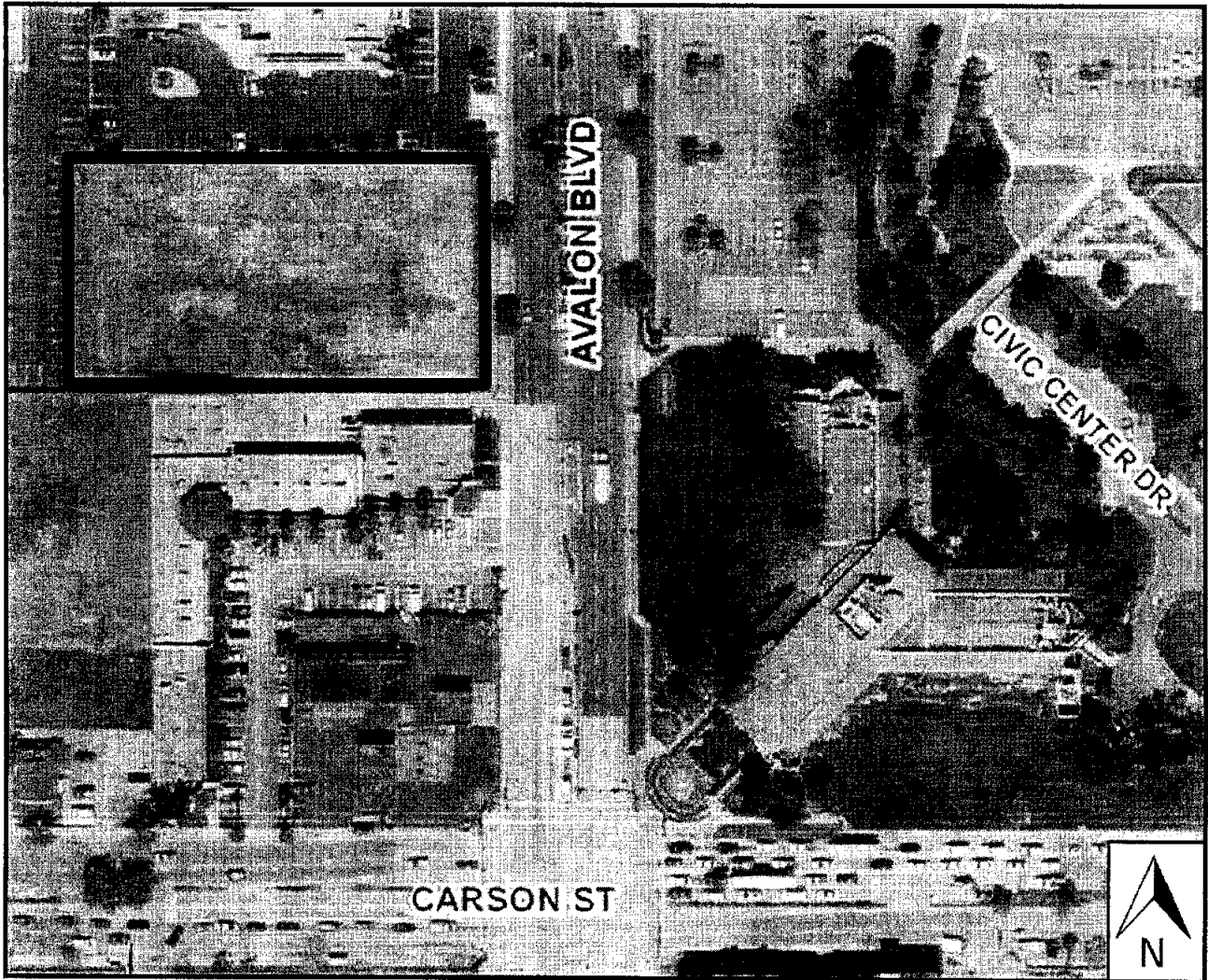
Reviewed by:

City Clerk	City Treasurer
Administrative Services	Public Works
Community Development	Community Services

Action taken by City Council

Date _____ Action _____

VICINITY MAP



21521 Avalon Blvd.

**AGREEMENT FOR PURCHASE AND SALE
OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS**

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS (this "Agreement") is made this ____ day of _____, 201__ by and between the CARSON HOUSING AUTHORITY, a public body corporate and politic ("Seller"), and GRAMERCY URBAN HOUSING, LLC., a California limited liability company ("Buyer").

TERMS AND CONDITIONS

1. PURCHASE AND SALE OF PROPERTY.

Seller is the owner of that certain real property located in the City of Carson, County of Los Angeles, State of California, located at 21521 Avalon Boulevard, Carson, California, 90745 (APNs: 7337-011-902) as more particularly described in Exhibit "A", attached hereto and by this reference incorporated herein, together with all improvements thereon (the "Property").

Buyer hereby agrees to purchase from Seller, and Seller agrees to sell to Buyer the Property, upon the terms and conditions hereinafter set forth.

2. OPENING OF ESCROW.

Within five (5) business days after the execution of this Agreement the parties shall open an escrow ("Escrow") with Fidelity National Title Company ("Escrow Holder") by causing an executed copy of this Agreement to be deposited with Escrow Holder. Escrow shall be deemed open on the date that a fully executed copy of this Agreement together with the Earnest Money, as defined below, is delivered to Escrow Holder ("Opening of Escrow").

3. PURCHASE PRICE.

3.1. Amount of Purchase Price.

The purchase price for the Property shall be One Million Dollars (\$1,000,000.00) ("Purchase Price").

3.2. Earnest Money.

The earnest money shall be in the amount of Ten Thousand (\$10,000) dollars ("Earnest Money") and shall be deposited into escrow at Opening of Escrow. After the end of the Due Diligence Period the Earnest Money will be deemed un-refundable except in the event that escrow for the Adjoining Property (as defined in Section 5.1 herein) does not close, pursuant to Section 9 of this Agreement. Notwithstanding the foregoing, upon the Close of Escrow, the Earnest Money shall be applied to the Purchase Price of the Property.

3.3. Payment of Purchase Price.

No later than one (1) business day preceding Close of Escrow, Buyer shall deposit the Purchase Price minus the Earnest Money with Escrow Holder in "Good Funds." Good Funds shall mean a wire transfer of funds, cashier's or certified check drawn on or issued by the offices of a financial institution located in the State of California, or cash. Escrow Holder shall disburse the cash amount of the Purchase Price to Seller after recordation of the grant deed transferring title to the Property to Buyer.

4. ADDITIONAL FUNDS AND DOCUMENTS REQUIRED FROM BUYER AND SELLER.

4.1. Buyer.

Buyer agrees that on or before 12:00 noon one (1) business day prior to the Closing Date, Buyer will deposit with Escrow Holder all additional funds and/or documents (executed and acknowledged, if appropriate) which are necessary to comply with the terms of this Agreement including, without limitation:

- a. A Preliminary Change of Ownership Statement completed in the manner required in Los Angeles County; and
- b. Such funds and other items and instruments as may be necessary in order for Escrow Holder to comply with this Agreement.

4.2. Seller.

Seller agrees that on or before 12:00 noon one (1) business day prior to the Closing Date, Seller will deposit with Escrow Holder such funds and other items and instruments (executed and acknowledged, if appropriate) as may be necessary in order for the Escrow Holder to comply with this Agreement, including, without limitation, the following:

- a. Executed and recordable grant deed ("Grant Deed"), substantially in the form attached hereto as Exhibit "B" as appropriate;
- b. A Non-Foreign Affidavit in the form attached hereto as Exhibit "D" ("Non-foreign Affidavit").
- c. Such funds and other items and instruments as may be necessary in order for Escrow Holder to comply with this Agreement and to cause the Grant Deed to be recorded.

5. CLOSING DATE; TIME IS OF ESSENCE.

5.1. Closing Date.

Escrow shall close prior to or concurrent to the close of escrow for the adjoining Carson Successor Agency-owned property located at 615 E. Carson Street ("Adjoining Property") pursuant to Section 9 of this Agreement and no later than one hundred eighty (180) days after expiration of the Due Diligence Period ("Closing Date"), unless otherwise extended pursuant to



Section 5.3 of this Agreement. The terms "Close of Escrow" and/or "Closing" are used herein to mean the time Seller's Grant Deed is filed for recording by the Escrow Holder in the Office of the County Recorder of Los Angeles County, California.

5.2. Time is of Essence.

Buyer and Seller specifically understand that time is of the essence and Buyer and Seller specifically agree to strictly comply and perform their obligations herein in the time and manner specified and waive any and all rights to claim such compliance by mere substantial compliance with the terms of this Agreement. Unless otherwise expressly provided in this Agreement, any reference in this Agreement to time for performance of obligations or to elapsed time shall mean Pacific Standard Time and time periods shall mean consecutive calendar days, months or years, as applicable. If the date ("Performance Date") on which any action is to be taken, any obligation is to be performed, or any notice is to be given under this Agreement falls on a Saturday, Sunday or federal holiday, such Performance Date shall be automatically extended to the next business day. As used in this Agreement, "business day" means any calendar day that is not a Saturday, Sunday or federal holiday. The time for performance on any Performance Date shall be no later than 5:00 p.m., unless otherwise provided in this Agreement.

5.3 Time Extensions

The Executive Director of the Seller, or his designee, shall have the authority on behalf of the Seller to approve written requests for extending the Close of Escrow by extending time during and/or after the Due Diligence Period but not to exceed a cumulative total of one hundred eighty (180) days.

6. TITLE POLICY.

6.1. Approval of Title.

- a. Promptly following execution of this Agreement, but in no event later than five (5) days following Opening of Escrow, Seller shall provide Buyer with a preliminary title report issued through Fidelity National Title Company (the "Title Company"), describing the state of title to the Property, together with copies of all exceptions specified therein and a map plotting all easements specified therein (collectively, the "Preliminary Title Report"). Buyer shall notify Seller in writing ("Buyer's Title Notice") of Buyer's approval of all matters contained in the Preliminary Title Report or of any objections Buyer may have to title exceptions or other matters ("Disapproved Exceptions") contained in the Preliminary Title Report within fifteen (15) days after Buyer's receipt of the Preliminary Title Report. If Buyer fails to deliver the Buyer Title Notice within the foregoing period of time Buyer shall be deemed to have elected to terminate this Agreement and the Earnest Money shall be promptly returned to Buyer.

- b. In the event Buyer delivers Buyer's Title Notice within said period, Seller shall have a period of fifteen (15) days after receipt of Buyer's Title Notice ("Seller Response Period") in which to notify Buyer of Seller's election to either (i) agree to attempt to remove the Disapproved Exceptions prior to the Close of Escrow; or (ii) decline to remove any such Disapproved Exceptions ("Seller's Notice"). Seller's failure to deliver the Seller Notice shall be deemed an election by Seller not to remove the Disapproved Exceptions. If Seller notifies Buyer of its election to decline to remove the Disapproved Exceptions, or if Seller is unable to remove the Disapproved Exceptions, Buyer may elect either to terminate this Agreement and the Escrow or to accept title to the Property subject to the Disapproved Exception(s). Buyer shall exercise such election by delivery of written notice to Seller and Escrow Holder within five (5) days following the earlier of (i) expiration of the Seller Response Period or (ii) the date Seller declines to remove such Disapproved Exception(s).
- c. Upon the issuance of any amendment or supplement to the Preliminary Title Report which adds additional exceptions, the foregoing right of review and approval shall also apply to said amendment or supplement, provided, however, that Buyer's initial period of review and approval or disapproval of any such additional exceptions shall be limited to five (5) days following receipt of notice of such additional exceptions. However, the foregoing shall not apply to any new exceptions created by or with the consent of Seller which new exceptions shall be removed by Seller at its cost prior to the Close of Escrow.
- d. Nothing to the contrary herein withstanding, Buyer shall be deemed to have automatically objected to all deeds of trust, mortgages, judgment liens, federal and state income tax liens, delinquent general and special real property taxes and assessments and similar monetary encumbrances affecting the Property, and Seller shall discharge any such non-permitted title matter of record prior to or concurrently with the Close of Escrow.

6.2. Title Policy.

At the Close of Escrow, the Escrow Holder shall furnish Buyer with an CLTA Policy of Title Insurance (the "Title Policy") for the Buyer's interest, wherein the Title Company shall insure that title to the Property shall be vested in Buyer, containing no exception to such title which has not been approved or waived by Buyer in accordance with this Section. The cost of the Title Policy to Seller shall be that of a CLTA policy with Buyer paying the additional cost for the preparation and issuance of an ALTA Owner's Extended form. The Title Policy shall include any available title insurance, extended coverage or endorsements that Buyer has reasonably requested at Buyers sole expense.



6.3 Possession.

Possession and occupancy shall be delivered by Seller to Buyer no later than 5:00 p.m. on the Closing Date free of all tenancies and claims of ownership. Seller shall remove any personal property and all debris from the Property prior to relinquishing the Property to Buyer.

6.4 Property Rights. At the Closing Seller shall be deemed to have assigned to Buyer, without representation, warranty or assurance the following: (a) all tangible and intangible items related to the acquisition, use, development, design, construction, permitting and entitlement of the Property for the residential development or otherwise, (b) all tangible personal property owned by Seller now existing and placed or installed on or about the Property and used in connection with the ownership, operation, management, maintenance and/or repair of the Property and (c) all right, title and interest of Seller, if any, in and to any and all warranties, guarantees and indemnities (including, without limitation, those for workmanship, materials and performance), whether or not written, related in any way to the Property including, without limitation, construction warranties, guaranties and indemnities from, by or against any contractors, subcontractors, laborers or supplier of labor, materials or other services relating to the Property pursuant to agreements respecting the Property ("Contracts"). The foregoing shall not include any obligations of Seller under any Contracts nor shall it constitute an assumption by Buyer of any obligations of Seller under any Contract, including, without limitation, the obligation to pay any fees, costs or charges of any kind there under.

7. DUE DILIGENCE.

7.1. Scope of Due Diligence.

Buyer, for a period of forty-five (45) days following the date of Opening of Escrow (the "Due Diligence Period"), shall have the right to make an analysis of the Property consisting of such engineering, economic and/or any other type of feasibility studies, soils tests, environmental studies and other investigations as Buyer in its sole discretion may desire, to permit Buyer to determine the suitability of the Property for Buyer's contemplated uses and to conduct such other review and investigation which Buyer deems appropriate to satisfy itself to acquire the Property. Buyer shall further have the right to make an examination of all licenses, permits, authorizations, approvals and governmental regulations which affect the Property, including zoning and land use issues and conditions imposed upon the Property by governmental agencies. Upon the execution of this Agreement by both parties, Seller shall make available to Buyer true, correct and complete copies of all contracts which relate to the Property (together with any amendments or modifications thereto), and all reports in Seller's possession respecting the physical condition of the Property, if any, and any other information in Seller's possession or control reasonably requested by Buyer regarding the Property. The documents that Seller shall make available to Buyer include, but are not limited to, true, correct and complete copies of:

- a. All leases, service contracts, and other agreements pertaining to the use or operation of the Property.

- b. All documents relating to or evidencing the environmental condition of the Property. This item includes any documentation of the use of hazardous or otherwise dangerous materials on the Property.
- c. All surveys, plans, and engineering records or documents.
- d. Any other information in Seller's possession or control reasonably requested by Buyer regarding the Property.

Seller shall make a diligent good faith effort to identify all such contracts, reports and other information, inform Buyer of such information and then provide copies of said materials to Buyer on request.

7.2. Entry for Investigation.

- a. Pursuant to the terms of a Right-of-Entry Agreement, attached hereto as Exhibit "C", Seller grants to Buyer, its agents and employees, upon notice to Seller, a limited license to enter upon any portion of the Property for the purpose of conducting engineering surveys, soil tests, investigations or other studies reasonably necessary to evaluate the condition of the Property, which studies, surveys, investigations and tests shall be done at Buyer's sole cost and expense.
- b. As a condition to Buyer's entry, inspection or testing, Buyer shall keep the Property free and clear of all materialmen's liens, lis pendens and other liens arising out of the entry and work performed under this Agreement.

7.3. Approval of Due Diligence Matters.

Buyer shall notify Seller in writing ("Buyer's Due Diligence Notice") on or before the expiration of the Due Diligence Period of Buyer's approval of the condition of the Property, which approval may be withheld in Buyer's sole and absolute discretion. Buyer's failure to deliver Buyer's Due Diligence Notice on or before the Due Diligence Date shall be conclusively deemed Buyer's disapproval thereof.

7.4 Waiver and Release.

The Purchase Price to be paid by Buyer to Seller is all-inclusive of Seller's interest in the Property and all damages of every kind and nature suffered, or to be suffered as a result of Buyer's acquisition of the Property. By execution of this Agreement, Seller and its successors and assigns shall be deemed to have knowingly and voluntarily waived, released and discharged Buyer from liability and responsibility for or related to any right Seller has, has had or in the future may have to any claim for compensation or damages or liability of any kind, whether known, unknown, foreseen or unforeseen, relating in any way to, or arising out of, Buyer's acquisition of the Property. In that regard, Seller and its successors and assigns, knowingly and voluntarily waive and release Buyer, its employees, agents and officers from liability as to the



following: any rights or obligations which exist or may arise out of the acquisition of the Property for public purposes including, without limitation, Seller's fee interest in the land, severance damages, relocation expenses or damages, loss of business goodwill and/or lost profits, loss or impairment of any "bonus value" attributable to any lease; damage to or loss of improvements pertaining to realty, costs, interest, attorneys' fees, and any claim whatsoever of Seller which might arise out of or relate to any respect to the acquisition of the Property by Buyer.

8. **ENTITLEMENTS.** Buyer shall have until the Closing Date to obtain permits, licenses, or approvals necessary for Buyer's improvement of the Property (the "Entitlements"). The time period for processing Entitlements may be extended in accordance with Section 5.3.

9. **ADJOINING PROPERTY.** The Closing Date is also contingent upon the closing of escrow for Buyer's purchase of the Adjoining Property owned by the Carson Successor Agency ("Successor Agency") pursuant to an Agreement of Purchase and Sale and Joint Escrow Instructions between Buyer and the Successor Agency dated as of the same date as this Agreement. Closing of escrow for the Adjoining Property must occur prior to or concurrently with this Escrow.

10. **CONDITIONS PRECEDENT TO CLOSE OF ESCROW.**

10.1. **Buyer's Obligations.**

The obligations of Buyer under this Agreement shall be subject to the satisfaction or written waiver, in whole or in part, by Buyer of each of the conditions precedent set forth below. If any such condition is not satisfied or waived by Buyer at or prior to the Close of Escrow for any reason other than a default by Buyer, Buyer may, in its sole discretion and without limiting any of Buyer's legal remedies or remedies under this Agreement, terminate this Agreement by written notice to Seller, in which case the Earnest Money shall be immediately refunded Buyer:

- a. Title Company will issue the Title Policy as required by Section 6 of this Agreement insuring title to the Property vested in Buyer.
- b. Buyer has approved in writing the condition to title of the Property on or before the date provided in Section 6. 1 above.
- c. Buyer has approved all Due Diligence matters on or before the Due Diligence Date.
- d. Buyer has obtained its Entitlements.
- e. The escrow between the Successor Agency and Buyer for the Adjoining Property has closed or is closing concurrently with this Escrow.
- f. Escrow Holder holds and will deliver to Buyer the instruments and funds, if any, accruing to Buyer pursuant to this Agreement.



- g. Seller is not in material default under this Agreement.

10.2. Condition to Seller's Obligations.

The obligations of Seller under this Agreement shall be subject to the satisfaction or written waiver, in whole or in part, by Seller of the following condition precedent:

- a. Escrow Holder holds and will deliver to Seller the instruments and funds accruing to Seller pursuant to this Agreement.
- b. The escrow for the Adjoining Property owned between the Successor Agency and Buyer has closed or is closing concurrently with this Escrow.

11. CONDITION OF THE PROPERTY.

11.1 Disclaimer of Warranties. Upon the Close of Escrow, Buyer shall acquire the Property in its "AS-IS" condition and Buyer shall be responsible for any defects in the Property, whether patent or latent, including, without limitation, the physical, environmental and geotechnical condition of the Property, and the existence of any contamination, Hazardous Materials, vaults, debris, pipelines, or other structures located on, under or about the Property, and Seller makes no other representation or warranty concerning the physical, environmental, geotechnical or other condition of the Property, and Seller specifically disclaims all representations or warranties of any nature concerning the Property made by it. The foregoing disclaimer includes, without limitation, topography, climate, air, water rights, utilities, soil, subsoil, existence of Hazardous Materials or similar substances, the purpose for which the Property is suited, or drainage.

11.2 Hazardous Materials. Buyer understands and agrees that, in the event Buyer incurs any loss or liability concerning Hazardous Materials (as hereinafter defined) and/or underground storage tanks whether attributable to events occurring prior to or following the Closing, then Buyer may look to current or prior owners of the Property, but in no event shall Buyer look to Seller for any liability or indemnification regarding Hazardous Materials and/or underground storage tanks. Buyer, from and after the Closing, hereby waives, releases, remises, acquits and forever discharges Seller, and each of the entities constituting Seller, if any, of and from any and all Environmental Claims, Environmental Cleanup Liability and Environmental Compliance Costs, as those terms are defined below, and from any and all actions, suits, legal or administrative orders or proceedings, demands, actual damages, punitive damages, loss, costs, liabilities and expenses, which concern or in any way relate to the physical or environmental conditions of the Property, the existence of any Hazardous Material thereon, or the release or threatened release of Hazardous Materials there from, whether existing prior to, at or after the Closing. It is the intention of the parties pursuant to this release that any and all responsibilities and obligations of Seller, and any and all rights, claims, rights of action, causes of action, demands or legal rights of any kind of Buyer, its successors, assigns or any affiliated entity of Buyer, against the Seller, arising by virtue of the physical or environmental condition of the Property, the existence of any Hazardous Materials thereon, or any release or threatened release of Hazardous Material there from, whether existing prior to, at or after the Closing, are by this

release provision declared null and void and of no present or future force and effect as to the parties; provided, however, that no parties other than the Indemnified Parties (defined below) shall be deemed third party beneficiaries of such release.

In connection therewith, Buyer and each of the entities constituting Buyer, expressly agree to waive any and all rights which said party may have with respect to such released claims under Section 1542 of the California Civil Code which provides as follows:

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

Buyer Initials _____

Seller Initials _____

Buyer and each of the entities constituting Buyer, shall, from and after the Closing, defend, indemnify and hold harmless Seller and each of the entities constituting Seller (collectively, the "Indemnified Parties") from and against any and all Environmental Claims, Environmental Cleanup Liability, Environmental Compliance Costs, and any other claims, actions, suits, legal or administrative orders or proceedings, demands or other liabilities resulting at any time from the physical and/or environmental conditions of the Property whether before or after the Closing or from the existence of any Hazardous Materials or the release or threatened release of any Hazardous Materials of any kind whatsoever, in, on or under the Property occurring at any time whether before or after the Closing, including, but not limited to, all foreseeable and unforeseeable damages, fees, costs, losses and expenses, including any and all attorneys' fees and environmental consultant fees and investigation costs and expenses, directly or indirectly arising there from, and including fines and penalties of any nature whatsoever, assessed, levied or asserted against any Indemnified Parties to the extent that the fines and/or penalties are the result of a violation or an alleged violation of any Environmental Law. Buyer further agrees that in the event Buyer obtains, from former or present owners of the Property or any other persons or entities, releases from liability, indemnities, or other forms of hold harmless relating to the subject matter of this Section, Buyer shall use its diligent efforts to obtain for Seller the same releases, indemnities and other comparable provisions.

For purposes of this Section, the following terms shall have the following meanings:

"Environmental Claim" means any claim for personal injury, death and/or property damage made, asserted or prosecuted by or on behalf of any third party, including, without limitation, any governmental entity, relating to the Property or its operations and arising or alleged to arise under any Environmental Law.

"Environmental Cleanup Liability" means any cost or expense of any nature whatsoever incurred to contain, remove, remedy, clean up, or abate any contamination or any Hazardous Materials on or under all or any part of the Property, including the ground water hereunder, including, without limitation, (i) any direct costs or expenses for investigation, study, assessment, legal representation, cost recovery by governmental agencies, or ongoing monitoring

in connection therewith and (ii) any cost, expense, loss or damage incurred with respect to the Property or its operation as a result of actions or measures necessary to implement or effectuate any such containment, removal, remediation, treatment, cleanup or abatement.

"Environmental Compliance Cost" means any cost or expense of any nature whatsoever necessary to enable the Property to comply with all applicable Environmental Laws in effect. "Environmental Compliance Cost" shall include all costs necessary to demonstrate that the Property is capable of such compliance.

"Environmental Law" means any federal, state or local statute, ordinance, rule, regulation, order, consent decree, judgment or common-law doctrine, and provisions and conditions of permits, licenses and other operating authorizations relating to (i) pollution or protection of the environment, including natural resources, (ii) exposure of persons, including employees, to Hazardous Materials or other products, raw materials, chemicals or other substances, (iii) protection of the public health or welfare from the effects of by-products, wastes, emissions, discharges or releases of chemical substances from industrial or commercial activities, or (iv) regulation of the manufacture, use or introduction into commerce of chemical substances, including, without limitation, their manufacture, formulation, labeling, distribution, transportation, handling, storage and disposal.

"Hazardous Material" is defined to include any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of California, or the United States Government. The term "Hazardous Material" includes, without limitation, any material or substance which is: (i) petroleum or oil or gas or any direct or derivate product or byproduct thereof; (ii) defined as a "hazardous waste," "extremely hazardous waste" or "restricted hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code; (iii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code; (iv) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Sections 25501(o) and (p) and 25501.1 of the California Health and Safety Code (Hazardous Materials Release Response Plans and Inventory); (v) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code (Underground Storage of Hazardous Substances); (vi) "used oil" as defined under Section 25250.1 of the California Health and Safety Code; (vii) asbestos; (viii) listed under Article 9 or defined as hazardous or extremely hazardous pursuant to Article 1 of Title 22 of the California Code of Regulations, Division 4, Chapter 30; (ix) defined as "waste" or a "hazardous substance" pursuant to the Porter-Cologne Act, Section 13050 of the California Water Code; (x) designated as a "toxic pollutant" pursuant to the Federal Water Pollution Control Act, 33 U.S.C. § 1317; (xi) defined as a "hazardous waste" pursuant to the Federal Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq. (42 U.S.C. § 6903); (xii) defined as a "hazardous substance" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, et seq. (42 App. U.S.C. § 9601); (xiii) defined as "Hazardous Material" or a "Hazardous Substance" pursuant to the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq.; or (xiv) defined as such or regulated by any "Superfund" or "Superlien" law, or any other federal, state or local law, statute, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning Hazardous Materials, oil wells, underground storage tanks, and/or pipelines, as now, or at any time hereafter, in effect.

Notwithstanding any other provision of this Agreement, Buyer's release and indemnification as set forth in the provisions of this Section, as well as all other provisions of this Section, shall survive the termination of this Agreement and shall continue in perpetuity.

Notwithstanding anything to the contrary in this Section, Buyer's release and indemnification of the Indemnified Parties from liability pursuant to this Section shall not extend to Hazardous Materials brought onto the Property by Seller or their respective contractors, agents or employees.

12.0 REPRESENTATIONS AND WARRANTIES.

12.1 Representations and Warranties.

Seller hereby makes the following representations, warranties and covenants to Buyer, each of which is true in all respects as of the date hereof and shall be true in all respects on the date of Close of Escrow on the Property:

- a. Seller has received no notice and/or has no knowledge that any governmental authority or any employee or agent thereof considers the present or proposed operation, use or ownership of the Property to violate or have violated any ordinance, rule, law, regulation or order of any government or agency, body or subdivision thereof, or that any investigation has been commenced or is contemplated respecting such possible violations.
- b. There are no pending or threatened allegations, lawsuits or claims which would affect the Property.
- c. There are no natural or environmental hazards located on the Property that would limit its marketability, merchantability, or suitability for development or impede its use in any way.
- d. To the best of Seller's knowledge, the Property is not in 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 ground water conditions. Seller has received no written notice from any third parties, prior owners of the Property, or any federal, state or local governmental agency indicating that any hazardous waste remedial or clean-up work will be required on the Property. To the best of Seller's knowledge, there are no environmental, health or safety hazards on, under or about the Property, including but not limited to soil and groundwater conditions. Neither Seller, nor to the best of Seller's knowledge any third party (including but not limited to Seller's predecessors in title to the Property), has used or installed any underground tank, or 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 the purpose of this Agreement shall include, but shall not be limited to, substances defined as "hazardous substances, hazardous materials or toxic substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 USC Section 9601, et seq.; the Hazardous Materials Transportation Act, 49 USC Section 1801, et seq.; the Resource Conservation and Recovery Act, 42 USC Section 6901, et seq.; those substances defined as "hazardous wastes" in Section 25117 of the California Health & Safety Code or as "hazardous substances" in Section 25316 of the California Health & Safety Code; and those chemicals known to cause cancer or reproductive toxicity, as published pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986, Section 25249.5, et seq., of the California Health & Safety Code; and in the regulations adopted and publications promulgated pursuant to each of the aforesaid laws).

- e. There are no contracts, leases, claims or rights affecting the development or use of Property and no agreements entered into by or under Seller that shall survive the Close of Escrow that would adversely affect Buyer's rights with respect to the Property except as heretofore disclosed in writing by Seller to Buyer. There are no purchase options, rights of first refusal, rights of first offer or other similar rights to purchase, use or occupy the Property.
- f. Seller has received no written notice from any third parties, prior owners of the Property, or any federal, state or local governmental agency, indicating that any hazardous waste remedial or clean-up work will be required on the Property.
- g. Until the Closing, Seller shall not do anything which would impair Seller's title to any of the Property.
- h. Seller is not a foreign person as defined in Internal Revenue Code Section 1445(f)(3).
- i. Until the Closing, if Seller learns of any fact or condition which would cause any of the warranties and representations in this Section not to be true as of the Closing, Seller shall immediately give written notice of such fact or condition to Buyer.
- j. Seller has the unimpeded power and authority to execute, deliver and perform Seller's obligations under this Agreement and the documents executed and delivered by Seller pursuant hereto.
- k. In addition to any other indemnification obligations set forth herein, Seller agrees to indemnify, defend with counsel selected by Buyer, protect and hold harmless Buyer, its officers, employees and agents from and against

all claims, damages, costs, liabilities and expenses of any kind whatsoever paid, incurred or suffered by or asserted against the Property or any indemnified party directly or indirectly arising from or attributable to any breach by Seller of any of its agreement warranties or representations set forth in this Agreement.

13. ESCROW PROVISIONS.

13.1 Escrow Instructions.

This Agreement, when signed by Buyer and Seller, shall also constitute escrow instructions to Escrow Holder. If required by Escrow Holder, Buyer and Seller agree to execute Escrow Holder's standard escrow instructions, provided that the same are consistent with and do not conflict with the provisions of this Agreement. In the event of any such conflict, the provisions of this Agreement shall prevail.

13.2 General Escrow Provisions.

Escrow Holder shall deliver the Title Policy to the Buyer and instruct the Los Angeles County Recorder to mail the Grant Deed to Buyer at the address set forth in Section 19 after recordation. All funds received in this Escrow shall be deposited in one or more general escrow accounts of the Escrow Holder with any bank doing business in Los Angeles County, California, and may be disbursed to any other general escrow account or accounts. All disbursements shall be according to that party's instructions. This Agreement and any modifications, amendments, or supplements thereto may be executed in counterparts and shall be valid and binding as if all of the parties' signatures were on one document.

13.3 Proration of Real Property Taxes.

All nondelinquent general and special real property taxes shall be prorated to the Close of Escrow on the basis of a thirty (30) day month and a three hundred sixty (360) day year. In the event that property taxes are assessed on a parcel of real property which includes land other than the Property, such proration shall include only taxes attributable to the Property, calculated in terms of total gross square feet of land (unimproved) assessed pursuant to the tax statement versus total gross square footage of the Property. Any errors or omissions made in calculating adjustments and prorations shall be corrected promptly upon the discovery thereof. If any estimations are made at the Close of Escrow regarding adjustments or prorations, the parties shall make the appropriate correction promptly when accurate information becomes available. Any corrected adjustment or proration shall be paid in cash to the Party entitled thereto within ten (10) days after written request therefor and if not so paid interest shall accrue and be payable on same at the maximum rate allowed by Law

13.4 Payment of Costs.

Buyer shall pay any premium charges for an ALTA Seller's Extended Title Policy (in excess of the standard coverage Title Policy premium) if required by Buyer and any non-standard coverage requested by Buyer (to the extent required to deliver Title as provided in Section 6 herein), the charges for drawing and recording the Grant Deed, and one-half of the

Escrow fee. Seller shall pay the cost of a CLTA standard coverage Title Policy; documentary transfer tax any fees and costs charged by any lender or other entity to obtain reconveyances or otherwise put title in the condition described in Section 6. All other costs of Escrow not otherwise specifically allocated by this Agreement shall be apportioned between the parties in a manner consistent with the custom and usage of Escrow Holder. Documentary transfer tax shall not be shown on the Grant Deed and Escrow Holder shall cause a separate statement of such taxes to be submitted to the County Recorder concurrently with the Grant Deed as authorized pursuant to Section 11932 of the California Revenue and Taxation Code. At least three (3) business days prior to the Closing Date Escrow Holder shall furnish Buyer and Seller with a preliminary Escrow closing statement which shall include each Party's respective shares of costs. The preliminary closing statement shall be approved in writing by Buyer and Seller. As soon as reasonably possible following the Close of Escrow, Escrow Holder shall deliver a copy of the final Escrow closing statement to Buyer and Seller.

13.5 Termination and Cancellation of Escrow.

If Escrow fails to close as provided above, Escrow shall terminate automatically without further action by Escrow Holder or any party, and Escrow Holder is instructed to return all funds and documents then in Escrow to the respective depositor of the same with Escrow Holder.

13.6 Information Report.

Escrow Holder shall file and Buyer and Seller agree to cooperate with Escrow Holder and with each other in completing any report ("Information Report") and/or other information required to be delivered to the Internal Revenue Service pursuant to Internal Revenue Code Section 6045(e) regarding the real estate sales transaction contemplated by this Agreement, including without limitation, Internal Revenue Service Form 1099-B as such may be hereinafter modified or amended by the Internal Revenue Service, or as may be required pursuant to any regulation now or hereinafter promulgated by the Treasury Department with respect thereto. Buyer and Seller also agree that Buyer and Seller, their respective employees and attorneys, and escrow Holder and its employees, may disclose to the Internal Revenue Service, whether pursuant to such Information Report or otherwise, any information regarding this Agreement or the transactions contemplated herein as such party reasonably deems to be required to be disclosed to the Internal Revenue Service by such party pursuant to Internal Revenue Code Section 6045(e), and further agree that neither Buyer nor Seller shall seek to hold any such party liable for the disclosure to the Internal Revenue Service of any such information.

13.7 Brokerage Commissions.

Buyer and Seller each represent and warrant to the other that no third party is entitled to a broker's commission and/or finder's fee with respect to the transaction contemplated by this Agreement. Buyer and Seller each agree to indemnify and hold the other parties harmless from and against all liabilities, costs, damages and expenses, including, without limitation, attorneys' fees, resulting from any claims or fees or commissions, based upon agreements by it, if any, to pay a broker's commission and/or finder's fee.

14.0 LIQUIDATED DAMAGES

14.1 Buyer Default. IF ESCROW FAILS TO CLOSE SOLELY DUE TO A DEFAULT OR BREACH OF THIS AGREEMENT BY BUYER, SELLER WILL BE DAMAGED AND WILL BE ENTITLED TO COMPENSATION FOR THOSE DAMAGES, BUT SUCH DAMAGES WILL BE EXTREMELY DIFFICULT AND IMPRACTICAL TO ASCERTAIN FOR THE FOLLOWING REASONS: (1) THE DAMAGES TO WHICH SELLER WOULD BE ENTITLED IN A COURT OF LAW WILL BE BASED IN PART ON THE DIFFERENCE BETWEEN THE ACTUAL VALUE OF THE PROPERTY AT THE TIME SET FOR THE CLOSE OF ESCROW AND THE PURCHASE PRICE FOR THE PROPERTY AS SET FORTH IN THIS AGREEMENT; PROOF OF THE AMOUNT OF SUCH DAMAGES WILL BE BASED ON OPINIONS OF VALUE OF THE PROPERTY, WHICH CAN VARY IN SIGNIFICANT AMOUNTS; AND (2) IT IS IMPOSSIBLE TO PREDICT AS OF THE EFFECTIVE DATE WHETHER THE VALUE OF THE PROPERTY WILL INCREASE OR DECREASE AS OF THE CLOSE OF ESCROW. BUYER DESIRES TO LIMIT THE AMOUNT OF DAMAGES FOR WHICH BUYER MIGHT BE LIABLE SHOULD BUYER BREACH THIS AGREEMENT. BUYER AND SELLER WISH TO AVOID THE COSTS AND LENGTHY DELAYS WHICH WOULD RESULT IF SELLER FILED A LAWSUIT TO COLLECT ITS DAMAGES FOR A BREACH OF THIS AGREEMENT. IF ESCROW FAILS TO CLOSE DUE TO A DEFAULT OR BREACH OF THIS AGREEMENT BY BUYER, THEN BUYER'S EARNEST MONEY ACTUALLY DELIVERED INTO ESCROW BY BUYER SHALL BE DEEMED TO CONSTITUTE A REASONABLE ESTIMATE OF SELLER'S DAMAGES UNDER THE PROVISIONS OF SECTION 1671 OF THE CALIFORNIA CIVIL CODE. SELLER'S SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF THE FAILURE OF ESCROW TO CLOSE AS A RESULTING OF BUYER'S DEFAULT SHALL BE LIMITED TO COLLECTION OF SUCH LIQUIDATED DAMAGES AND ATTORNEYS' FEES AND COSTS OF COLLECTION IN CONNECTION THEREWITH, IF ANY. THE LIQUIDATED DAMAGES ARE NOT INTENDED AS A PENALTY OR A FORFEITURE UNDER CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369. EXCEPT AS PROVIDED IN THE FOLLOWING SENTENCE SELLER HEREBY WAIVES ALL OTHER CLAIMS, DAMAGES AND OTHER REMEDIES INCLUDING THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTIONS 3384, 3387 AND 3389. THE FOREGOING LIQUIDATED DAMAGES CLAUSE APPLIES ONLY IN CONNECTION WITH THE BUYER'S DEFAULT IN ITS OBLIGATION TO CLOSE ESCROW AND SHALL NOT APPLY TO (A) BUYER'S LIABILITY TO SELLER UNDER THE INDEMNIFICATION PROVISIONS OF THIS AGREEMENT AND (B) SELLER'S ATTORNEYS' FEES INCURRED IN ENFORCING ITS RIGHTS UNDER THIS AGREEMENT.

14.2 Buyer Cure Right.

Buyer shall be deemed to be in default under this Agreement if Buyer fails, for any reason other than Seller's default under this Agreement, to meet, comply with, or perform any material covenant, agreement, or obligation required on its part, including the deposit or delivery of any funds, within the time limits and in the manner required in this Agreement; provided that no such default (other than a default in Buyer's obligation to deposit funds and documents just prior to the Close of Escrow) shall be deemed to have occurred unless and until Seller has given Buyer written notice describing the nature of the default, and Buyer has failed to cure such default within five (5) business days after the receipt of such notice (unless the curing of such



default cannot reasonably be accomplished within such five (5) business day period in which case the default shall be deemed cured if Buyer commences to cure such default within such five (5) business day period and diligently pursues same to completion) but not later than the Closing Date.

Buyer Initials _____

Seller Initials _____

15.0 RISK OF PHYSICAL LOSS.

Risk of physical loss to the Property shall be borne by Seller prior to the Close of Escrow and by Buyer thereafter. In the event that the Property shall be damaged by fire, flood, earthquake or other casualty Buyer shall have the option to terminate this Agreement, provided notice of such termination is delivered to Seller within twenty (20) days following the date Buyer learns of the occurrence of such casualty. If Buyer fails to terminate this Agreement pursuant to the foregoing sentence within said twenty (20) day period, Buyer shall complete the acquisition of the Property, in which case Seller shall assign to Buyer the interest of Seller in all insurance proceeds relating to such damage. Seller shall consult with Buyer regarding any proposed settlement with the insurer and Buyer shall have the reasonable right of approval thereof. Seller shall hold such proceeds until the Close of Escrow. In the event this Agreement is terminated for any reason, Buyer shall have no right to any insurance proceeds.

16.0 NON COLLUSION.

No official, officer, or employee of the Buyer has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of the Buyer participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be consistent with State law and shall not include interest found to be "remote" or "non interest" pursuant to California Government Code Sections 1091 and 1091.5. Buyer warrants and represents that (s)he/it has not paid or given, and will not pay or give, to any third party including, but not limited to, and Buyer official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded this Agreement. Buyer further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any Buyer official, officer, or employee, as a result or consequence of obtaining or being awarded any agreement. Buyer is aware of and understands that any such act(s), omission(s) or other conduct resulting in the payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

Buyer Initials _____

Seller Initials _____

17.0 ASSIGNMENT.

Neither party shall have the right to assign this Agreement or any interest or right hereunder or under the Escrow without the prior written consent of the other party; which

consent shall not be unreasonably withheld, considering that Buyer may wish to assign its rights and obligations under this Agreement to an entity (a) which is a partnership of which Buyer or an affiliate entity is the general partner or a limited liability company of which Buyer or an affiliate entity is the managing member; (b) in which Buyer or any affiliate of Buyer holds any voting, profits and loss ownership interest; or (c) in which Buyer or an affiliate of Buyer is responsible for managing the day to day activities of such entity. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of Buyer and Seller and their respective heirs, personal representatives, successors and assigns.

18.0 ATTORNEYS' FEES.

In any action between the parties hereto seeking enforcement of any of the terms and provisions of this Agreement or the Escrow, or otherwise in connection with the Property, the prevailing party in such action shall be entitled, to have and to recover from the other party its reasonable attorneys' fees and other reasonable expenses in connection with such action or proceeding, in addition to its recoverable court costs.

19.0 NOTICES.

Any notice which either party may desire to give to the other party or to the Escrow Holder must be in writing and may be given by personal delivery or by mailing the same by registered or certified mail, return receipt requested, to the party to whom the notice is directed at the address of such party hereinafter set forth, or such other address and to such other persons as the parties may hereafter designate:

To BuyerSeller: Carson Housing Authority
701 E. Carson Street
Carson, California 90745
Attention: Executive Director

Copy To: Aleshire & Wynder, LLP
2361 Rosecrans Avenue, Suite 475
El Segundo, California 90245-4916
Attention: Sunny Soltani, Esq.

To Buyer:

Bryan Cave LLP
3161 Michelson Drive, Suite 1500
Irvine, CA 92612
Attn: Holly P. Lopez, Esq.



20.0 INTERPRETATION; GOVERNING LAW; VENUE.

This Agreement shall be construed according to its fair meaning and as if prepared by both parties hereto. This Agreement shall be construed in accordance with the laws of the State of California in effect at the time of the execution of this Agreement. Titles and captions are for convenience only and shall not constitute a portion of this Agreement. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates. Any lawsuit arising in connection with this Agreement shall be filed in the County of Los Angeles, California.

21.0 NO WAIVER.

No delay or omission by either party in exercising any right or power accruing upon the compliance or failure of performance by the other party under the provisions of this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by either party of a breach of any of the covenants, conditions or agreements hereof to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions hereof.

22.0 MODIFICATIONS.

Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made by written instrument or endorsement thereon and in each such instance executed on behalf of each party hereto.

23.0 SEVERABILITY.

If any term, provision, condition or covenant of this Agreement or the application thereof to any party or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this instrument, or the application of such term, provisions, 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 thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

24.0 MERGER OF PRIOR AGREEMENTS AND UNDERSTANDINGS.

This Agreement and other documents incorporated herein by reference contain the entire understanding between the parties relating to the transaction contemplated hereby and all prior to contemporaneous agreements, understandings, representations and statements, oral or written, are merged herein and shall be of no further force or effect.

25.0 NO WITHHOLDING BECAUSE NON-FOREIGN SELLER.

Seller represents and warrants to Buyer that Seller is not, and as of the Close of Escrow will not be, a foreign person within the meaning of Internal Revenue Code Section 1445 or an out-of-state seller under California Revenue and Tax Code Section 18805 and that it will deliver to

Buyer on or before the Close of Escrow a non-foreign affidavit on Escrow Holder's standard form pursuant to Internal Revenue Code Section 1445(b)(2) and the Regulations promulgated thereunder and a California Form 590-RE.

26.0 EXECUTION IN COUNTERPARTS.

This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all parties are not signatories to the original or the same counterpart.

[END - SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement for Purchase and Sale of Real Property and Escrow Instructions as of the date set forth above.

"SELLER"

CARSON HOUSING AUTHORITY, a public body
corporate and politic

Dated: _____

By: _____
Chairman James L. Dear

ATTEST:

By: _____
Authority Secretary
Donesia L. Gause, CMC

APPROVED AS TO FORM:
Aleshire & Wynder, LLP

Authority Counsel

"BUYER"

Date: _____
GRAMERCY URBAN HOUSING, LLC., a
California limited liability company

By: _____
Jason Illoulouian, its Manager

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

PARCEL 1:

THE NORTH 55.00 FEET OF THAT PORTION OF LOT 52 OF TRACT NO. 3848, IN THE CITY OF CARSON, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 42 PAGES 68 AND 69 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING SOUTHERLY OF THE SOUTH LINE OF THE NORTH 165 FEET OF SAID LOT.

EXCEPT THE WESTERLY 10 FEET OF THE EASTERLY 25 FEET OF THE SOUTHERLY 50 FEET OF THE NORTHERLY 220 FEET OF SAID LOT 52 BY FINAL ORDER OF CONDEMNATION CASE NO. 860116 BY DOCUMENT RECORDED JUNE 17, 1966 AS INSTRUMENT NO. 3538, OFFICIAL RECORDS OF SAID COUNTY.

ALSO EXCEPT THEREFROM THE WESTERLY 305 FEET.

PARCEL 2:

LOT 52 OF TRACT NO. 3848, IN THE CITY OF CARSON, IN THE COUNTY LOS ANGELES, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 42 PAGES 68 AND 69 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE WESTERLY 10 OF THE EASTERLY 25 FEET; EXCEPT THEREFROM THAT PORTION THEREOF WHICH LIES WITHIN THE NORTHERLY 220 FEET OF SAID LOT BY DEEDS RECORDED APRIL 14, 1965 AS INSTRUMENT NO. 3560 AND 3581, OFFICIAL RECORDS OF SAID COUNTY.

ALSO EXCEPT THEREFROM THE NORTH 165 FEET OF SAID LOT 52.

ALSO EXCEPT THEREFROM THE NORTH 55 FEET OF THAT PORTION OF SAID LOT 52, LYING SOUTHERLY OF THE SOUTH LINE OF THE SOUTH LINE OF THE NORTH 165 FEET OF SAID LOT.

ALSO EXCEPT THEREFROM THE WESTERLY 305 FEET.

EXHIBIT "B"

GRANT DEED

FREE RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

() _____

Attn: _____

(Space Above Line for Recorder's Use Only)

Exempt from filing Fees per Govt. Code § 6103

GRANT DEED

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the CARSON HOUSING AUTHORITY, a public body corporate and politic, herein called "Grantor," hereby grants to Gramercy Urban Housing, LLC., a California limited liability company, herein called "Grantee," the real property referred to as Assessor's Parcel Nos. 7337-011-902, hereinafter referred to as the "Site," in the City of Carson, County of Los Angeles, State of California, more particularly described in Attachment No. 1 attached hereto and incorporated herein by this reference.

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed on its behalf by its officers or agents hereunto as of the _____ day of _____, 201____.

"GRANTOR"

CARSON HOUSING AUTHORITY, a
public body corporate and politic

By: _____
Chairman James L. Dear

ATTEST:

By: _____
Authority Secretary Donesia L. Gause, CMC

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the grant deed dated on or about _____, 201__ from the CARSON HOUSING AUTHORITY, a public body corporate and politic, is hereby accepted by the undersigned officer on behalf of the, and the Grantee consents to recordation thereof by its duly authorized officer.

Dated: _____, 201__

GRANTEE:

Gramercy Urban Housing, LLC., a
California limited liability company

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____



Attachment 1

Legal Description

PARCEL 1:

THE NORTH 55.00 FEET OF THAT PORTION OF LOT 52 OF TRACT NO. 3848, IN THE CITY OF CARSON, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 42 PAGES 68 AND 69 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING SOUTHERLY OF THE SOUTH LINE OF THE NORTH 165 FEET OF SAID LOT.

EXCEPT THE WESTERLY 10 FEET OF THE EASTERLY 25 FEET OF THE SOUTHERLY 55 FEET OF THE NORTHERLY 220 FEET OF SAID LOT 52 BY FINAL ORDER OF CONDEMNATION CASE NO. 86806 BY DOCUMENT RECORDED JUNE 17, 1966 AS INSTRUMENT NO. 3538, OFFICIAL RECORDS OF SAID COUNTY.

ALSO EXCEPT THEREFROM THE WESTERLY 305 FEET.

PARCEL 2:

LOT 52 OF TRACT NO. 3848, IN THE CITY OF CARSON, IN THE COUNTY LOS ANGELES, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 42 PAGES 68 AND 69 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE WESTERLY 10 OF THE EASTERLY 25 FEET; EXCEPT THEREFROM THAT PORTION THEREOF WHICH LIES WITHIN THE NORTHERLY 220 FEET OF SAID LOT BY DEEDS RECORDED APRIL 14, 1966 AS INSTRUMENT NO. 3560 AND 3581, OFFICIAL RECORDS OF SAID COUNTY.

ALSO EXCEPT THEREFROM THE NORTH 165 FEET OF SAID LOT 52.

ALSO EXCEPT THEREFROM THE NORTH 55 FEET OF THAT PORTION OF SAID LOT 52, LYING SOUTHERLY OF THE SOUTH LINE OF THE SOUTH LINE OF THE NORTH 165 FEET OF SAID LOT.

ALSO EXCEPT THEREFROM THE WESTERLY 305 FEET.

EXHIBIT "C"

RIGHT OF ENTRY AGREEMENT

[See Attached]

Exhibit "C"



RIGHT OF ENTRY AGREEMENT

This **RIGHT OF ENTRY AGREEMENT** ("License") is dated for reference purposes as of _____, 20____ and is entered into by **GRAMERCY URBAN HOUSING, LLC.**, a California limited liability company ("Licensee") and the **CARSON HOUSING AUTHORITY**, a public body ("Licensor").

RECITALS

WHEREAS, the **CARSON HOUSING AUTHORITY**, a public body corporate and politic, ("Licensor"), is the fee owner of that certain real property located at 21521 Avalon Blvd., Carson, California ("City"), County of Los Angeles, and as more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference ("Site"); and

WHEREAS, Licensor and Licensee are bound by the terms of that certain Agreement for Purchase and Sale of Real Property and Joint Escrow dated _____ by and between the Carson Housing Authority and **GRAMERCY URBAN HOUSING, LLC**, a California limited liability company (the "Purchase Agreement"); and

WHEREAS, Licensee wishes to begin its investigation of the Site for due diligence purposes; and

WHEREAS, Licensor is willing to permit Licensee to access the Site upon the terms and conditions stated in this License.

NOW, THEREFORE, Licensor and Licensee agree as follows:

1. LICENSE. Licensor hereby grants to Licensee a temporary license to enter and use the Site upon and subject to the terms and conditions set forth herein. The rights of Licensee under this License shall be limited to a nonexclusive right of Licensee over and across the Site, for the specific, sole and exclusive purpose of conducting Site investigations pursuant to Section 3 herein, as part of Licensee's due diligence efforts and obtaining any permits, licenses, approvals or other entitlements in consideration of purchasing the Site. Licensee shall cooperate with Licensor and any other party ("Other User") using or occupying the Site, to establish and enforce rules and procedures governing those portions of the Site being used in common by Licensee and any Other User.

2. TERM. The term of this License shall commence on the date that this License is fully executed and Escrow has been opened in accordance with Section 5 of the Purchase Agreement, whichever is later, and shall end on the earlier of the termination of the Purchase Agreement or the Close of Escrow for the sale of the Site to Licensee pursuant to the Purchase Agreement; provided, however, that either party may terminate this License in the event of a breach of the terms and conditions of this License by the other party by giving written notice of the same as provided in Sections 11 and 20 hereinafter. Any time extensions must be approved in writing by the Licensor's Executive Director and must be pursuant to the terms of Purchase Agreement.

3. USE. The rights of Licensee hereunder shall be temporary, only, and shall be solely for the purpose of conducting Site investigations, above and/or below ground, as part of Licensee's due diligence efforts in consideration of purchasing the Site pursuant to the Purchase Agreement, and shall not be used for any other purpose. Licensee shall not permit any waste or damage to be done to the Site and shall maintain the Site and keep the Site in good condition and repair. Licensee is responsible for obtaining all permits, licenses, and any other governmental authorizations required for Licensee's use of the Site described herein.

4. UTILITIES. Licensee shall pay all charges for electricity and all other utility services, if any, used by Licensee in or about the Site during the term of this License.

5. INDEMNIFICATION. Licensee shall indemnify, defend, protect and hold Licensors and the City, and their officers, directors, agents, representatives, Licensors Board and City Council members and employees harmless from and against all liens and encumbrances of any nature whatsoever which may arise in the exercise of Licensee's rights hereunder, and from any and all claims, causes of action, liabilities, costs and expenses (including reasonable attorneys' fees), losses or damages arising from Licensee's use of the Site under this License, any breach of this License, or any act or failure to act of Licensee or Licensee's agents, employees, contractors, or invitees in violation of this License, except those arising out of the sole negligence or willful misconduct of Licensors, its officers, agents, and/or employees. The indemnification obligations contained in this Section 5 shall survive the termination of this License.

6. DAMAGE OR LOSS. Licensee, as a material part of the consideration to Licensors, hereby assumes all risk of damage to property or injury to persons in or upon the Site while Licensee or their respective agents, employees and/or contractors are exercising their rights under this License. Licensee hereby releases and relieves Licensors, and waives its entire right of recovery against Licensors, for any loss or damage arising out of or incident to the Licensee's activity on the Site, whether due to the negligence of Licensors or Licensee or their respective agents, employees and/or contractors, except loss or damage arising out of the sole negligence or willful misconduct of Licensors, its officers, agents, contractors and/or employees. The release contained in this Section 6 shall survive the termination of this License.

7. ENVIRONMENTAL IMPAIRMENT.

a. Licensee shall not use, generate, manufacture, store, transport or dispose of, on or over the Site any flammable liquids, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances (collectively, "Hazardous Materials") as those terms are defined under federal and state laws. The foregoing sentence shall not be deemed to include in any way any Hazardous Materials in existence or present in, on, beneath or under the Site prior to the time of Licensee's access to the Site pursuant to this License. Should any discharge, leakage, spillage, emission, or pollution of any type occur upon or from the Site as a result of Licensee's use and occupancy therein, Licensee shall provide notice as required by law, and Licensee, at its sole cost and expense, shall promptly undertake all appropriate remediation on all the property affected thereby, whether owned or controlled by Licensors or any third party, to the satisfaction of Licensors (insofar as the property owned or controlled by Licensors is concerned) and any governmental body having jurisdiction therein.

b. Licensee must also notify Licenser as required by law of any release of Hazardous Materials that have come or will come to be located on or beneath the Site as a result of Licensee's use and occupancy therein.

c. Should any discharge, leakage, spillage, emission, or pollution of any type occur upon or from the Site (collectively, "Discharge") as a result of Licensee's use and occupancy therein, Licensee shall indemnify, hold harmless and defend Licenser against all liability arising from any injuries to any person and damage to property, including without limitation, employees and property of Licensee, and all related expenses, investigators' fees, and litigation expenses resulting in whole or in part from any such Discharge, regardless of whether such liability, cost or expense arises during or after the License term. The remediation and indemnification obligations contained in this Section 7 shall survive the Termination of this License.

8. CONDITIONS AND RESTRICTIONS. The use of the Site is subject to the following conditions and restrictions:

a. Licensee hereby accepts the Site subject to all conditions, covenants and restrictions of record, and all applicable zoning, municipal, county and state laws, ordinances, regulations and any changes thereto governing the use and occupancy of the Site. Licensee shall not obtain or cause to be issued any permit, zone change or other entitlement that will be binding upon Licenser or the Site, or that shall otherwise impair the right of Licenser or any Other User in the use of the Site.

b. Licensee shall keep the Site free from all liens, taxes and assessments resulting from or caused by Licensee's use of the Site, and Licensee shall reimburse Licenser the sums (including attorneys' fees and court costs) paid by Licenser to protect its title against any such lien, tax or assessment. Licensee recognizes and understands that this License may create a possessory interest subject to taxes levied upon such interest.

c. Licensee shall keep the Site clear of all litter and debris.

9. SURRENDER. Upon the termination of this License, all right, title, and interest of Licensee in and to this License shall be surrendered peaceably to Licenser and Licensee shall remove any personal property of Licensee and its respective agents, employees, contractors and/or invitees.

10. INSURANCE. Licensee shall maintain in full force and effect during the term of this License, at Licensee's sole cost and expense, a policy of comprehensive general liability insurance in terms and amounts satisfactory to Licenser, but in any event no less than Two Million Dollars (\$2,000,000.00) combined single limit per occurrence, combined single limit bodily injury, personal injury, death and property damage, subject to such increases in amount as Licenser may reasonably require from time to time, covering any accident or incident arising in connection with the presence of Licensee or its agents, employees, contractors, guests, invitees or sub-licensees on the Site. Such coverage shall also contain endorsements: (a) deleting any employee exclusion on personal injury coverage; (b) deleting any liquor liability exclusion; and (c) providing for coverage of employer's automobile non-ownership liability.

Coverage shall include, but not be limited to, personal injury liability, Site and operation, blanket contractual, cross liability, severability of interest, broad form property damage, and independent contractors. Licensor shall be named as an additional insured under such insurance policy. Such insurance shall be primary and noncontributing, and shall not be cancelable or subject to reduction of coverage or other modification without thirty (30) days prior written notice to Licensor. Licensee shall concurrently with the execution of this License deliver to Licensor a copy of such insurance policy or a certificate of insurance evidencing such coverage. In the event Licensee's insurance policy is renewed, replaced or modified, Licensee shall promptly furnish Licensor with a copy of such policy, or a certificate of insurance, as renewed, replaced or modified.

11. DEFAULT. In the event of a breach by Licensee of any of the terms of this License which is not cured within five (5) days after receipt of written notice of such breach from Licensor, all rights of Licensee hereunder shall cease and terminate, and in addition to all other rights Licensor may have at law or in equity, Licensor may re-enter the Site and take possession therein without notice, and may remove any and all persons therefrom, and may also cancel and terminate this License; and upon any such cancellation, all rights of Licensee in and to the Site shall cease and terminate.

12. RULES AND REGULATIONS. Licensor shall have the right to:

a. Establish and enforce reasonable rules and regulations concerning the management, use, and operation of the Site;

b. Close any portion of the Site to whatever extent required in the reasonable opinion of the Licensor's counsel to prevent a dedication of any of the Site or the accrual of any prescriptive rights of any person or of the public to the Site, provided that such closures do not materially and adversely affect Licensee's use of the Site;

c. Close temporarily any portion of the Site for maintenance purposes, provided that if such closures materially and adversely affect Licensee's use of the Site, Licensor shall first obtain Licensee's consent; and

d. Disapprove a person or entity retained by Licensee to maintain and operate the Site.

13. SECURITY MEASURES. Licensee hereby acknowledges that Licensor is not obligated to provide any security measures, and Licensor shall not be liable for any defects or negligence in the implementation of any security measures that Licensor may, in fact, provide. Licensee assumes all responsibility for the protection of any vehicles that are the subject of Licensee's bailment, or are otherwise the property of Licensee, its agents, employees, construction workers or invitees, and their property, from the acts of third parties.

14. NUISANCE AND WASTE. Licensee shall not commit, suffer or permit any nuisance or waste damage or destruction to occur in or about the Site as a result of Licensee's activities or the activities of Licensee's respective agents, employees, contractors and/or invitees, and Licensee shall not permit the use of the Site for any illegal or immoral

purpose. When this License terminates, upon such termination, Licensee, at its sole expense, shall repair any waste, damage or destruction resulting from Licensee's activities or the activities of Licensee's respective agents, employees, contractors and/or invitees, and Licensee shall restore the Site to that condition existing prior to Licensee's use of the Site. Should Licensee fail to vacate the Site in a clean and undamaged condition, Licenser may arrange for the repair of the Site, the cost of which will be immediately reimbursed by Licensee.

15. COVENANT AGAINST DISCRIMINATION. Licensee covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this License and Licensee shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin, or ancestry.

16. NON-DISCRIMINATION. There shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, marital status, national origin, or ancestry, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the parties to this contract or any person claiming under or through them, establish or permit any such practice or such practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the premises.

17. WAIVER. The waiver by Licenser of any breach of Licensee hereunder, or the failure on the part of Licenser to enforce any right it may have hereunder, shall not constitute a waiver of any other or subsequent, similar, or different breaches, or a waiver of Licenser's power to enforce such rights.

18. ASSIGNMENT. This License is personal to Licensee. Except ~~as~~ as to any assignment authorized in the Purchase Agreement, Licensee agrees not to assign, sell, transfer, encumber, pledge or otherwise hypothecate any part of the License or the Site or Licensee's interest herein to any entity without the prior written consent of Licenser, which consent may be withheld in Licenser's sole and absolute discretion. Any purported assignment by Licensee of this License shall be void *ab initio* and a basis for immediate termination of this License. In the event that Licenser shall provide its prior written consent to an assignment by Licensee, any such assignment shall not relieve Licensee of its obligations under this License.

19. ATTORNEYS' FEES. If any party named herein brings an action to enforce the terms herein or to declare its rights hereunder, the prevailing party in any such action, on trial and appeal, shall be entitled to recover its costs and reasonable attorneys' fees including those of in-house counsel.

20. NOTICE. All notices, consents, requests, demands, approvals, waivers, and other communications desired or required to be given hereunder (collectively, "notices") shall be in writing and signed by the party so giving the notice, and shall be effectively given or served: (i) on the date of personal service upon the person to whom it is directed; (ii) on the date the notice is received or rejected provided it is sent U.S. first class registered or certified mail,

postage prepaid, return receipt requested; or (iii) on the date the notice is delivered by a nationally recognized courier service to the address of the person to whom it is directed provided it is sent postage prepaid to the address of the person to whom it is directed. The addresses of the parties are:

If to the City or the Licensor:

City of Carson/Carson Housing Authority
701 East Carson Street
Carson, California 90745
Attn: Executive Director
Phone: (310) 830-7600

With a copy to:

Aleshire & Wynder, LLP
Tower 17
18881 Von Karman Avenue, Suite 400
Irvine, CA 92612
Attn: Sunny Soltani, Esq.
Phone: (949) 223-1170

If to Licensee:

Bryan Cave LLP
3161 Michelson Drive, Suite 1500
Irvine, California 92612
Attn: Holly P. Lopez, Esq.

Either party may, from time to time, change its address by giving written notice therein in the manner outlined above.

21. GOVERNING LAW. This License shall be interpreted, enforced and governed by the laws of the State of California.

22. AMENDMENTS. No provisions of this License may be amended or modified except by an agreement in writing executed by both parties hereto.

23. SEVERABILITY. In the event that any one or more of the provisions contained in this License shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision herein, and the remainder of the provisions of this License shall continue in full force and effect without impairment.

24. SOLE AGREEMENT. This License constitutes the sole agreement by Licensee with respect to the license of the Site.

25. NO RECORDING. This License or a memorandum of license shall not be recorded in the Official Records of Los Angeles County.

26. CONSENTS OF PARTIES. Any requirements under this License that Licensee obtain consents or approvals of Licensor are in addition to and not in lieu of any requirements of law that Licensee obtain approvals or permits.

[BALANCE OF PAGE LEFT INTENTIONALLY BLANK.]

IN WITNESS WHEREIN, the Licensee has caused its authorized representative to execute duplicate original counterparts of this License.

"LICENSOR"

CARSON HOUSING AUTHORITY,
a public body corporate and politic

Dated: _____

By: _____
Chairman James L. Dear

ATTEST:

By: _____
Authority Secretary
Donesia L. Gause, CMC

APPROVED AS TO FORM:
Aleshire & Wynder, LLP

Authority Counsel

"LICENSEE"

GRAMERCY URBAN HOUSING, LLC., a
California limited liability company

By: _____

Name: Jason Illouljian

Title: Manager



EXHIBIT "D"

NON-FOREIGN AFFIDAVIT

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon disposition of a U.S. real property interest by _____ ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. Transferor's taxpayer identification number is _____; and
3. Transferor's address is _____.

The undersigned understands that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury, I declare that I have examined this certification and to the best of my knowledge and belief, it is true, correct, and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

Dated: _____, 2013 _____

Address of Property for Sale:

See legal description attached as Exhibit "1"

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EXHIBIT "1" TO NON-FOREIGN AFFIDAVIT
LEGAL DESCRIPTION OF LAND

PARCEL 1:

THE NORTH 55.00 FEET OF THAT PORTION OF LOT 52 OF TRACT NO. 3848, IN THE CITY OF CARSON, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 42 PAGES 68 AND 69 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING SOUTHERLY OF THE SOUTH LINE OF THE NORTH 165 FEET OF SAID LOT.

EXCEPT THE WESTERLY 10 FEET OF THE EASTERLY 25 FEET OF THE SOUTHERLY 50 FEET OF THE NORTHERLY 220 FEET OF SAID LOT 52 BY FINAL ORDER OF CONDEMNATION CASE NO. 868016 BY DOCUMENT RECORDED JUNE 17, 1965 AS INSTRUMENT NO. 3536, OFFICIAL RECORDS OF SAID COUNTY.

ALSO EXCEPT THEREFROM THE WESTERLY 305 FEET.

PARCEL 2:

LOT 52 OF TRACT NO. 3848, IN THE CITY OF CARSON, IN THE COUNTY LOS ANGELES, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 42 PAGES 68 AND 69 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE WESTERLY 10 OF THE EASTERLY 25 FEET; EXCEPT THEREFROM THAT PORTION THEREOF WHICH LIES WITHIN THE NORTHERLY 220 FEET OF SAID LOT BY DEEDS RECORDED APRIL 14, 1965 AS INSTRUMENT NO. 3560 AND 3581, OFFICIAL RECORDS OF SAID COUNTY.

ALSO EXCEPT THEREFROM THE NORTH 165 FEET OF SAID LOT 52.

ALSO EXCEPT THEREFROM THE NORTH 55 FEET OF THAT PORTION OF SAID LOT 52, LYING SOUTHERLY OF THE SOUTH LINE OF THE SOUTH LINE OF THE NORTH 165 FEET OF SAID LOT.

ALSO EXCEPT THEREFROM THE WESTERLY 305 FEET.

(End of Legal Description)