

Communication from Public

Name: Zach Lazry
Date Submitted: 10/04/2022 01:44 PM
Council File No: 22-0984
Comments for Public Posting: Please see attached PDF letter from adjacent property owner in support of Item 6 on the PLUM Agenda for October 4, 2022 (22-0984; CD 13; O'Farrell- Koretz Motion; Jardinette Apartments)

737-747 N Western Owner LLC

5007 Melrose Ave, Los Angeles CA 90038

323-378-6754

October 4, 2022

Planning and Land Use Management Committee
City Council
City of Los Angeles
City Hall
200 N. Spring Street
Los Angeles, CA 90012

Re: Agenda Item 6; 22-0984 CD 13; O'Farrell-Koretz Motion; Jardinette Apartments

Dear Honorable Councilmembers:

We own a number of properties in the area of the Jardinette Apartments (Melrose and Western) and have been working hard to help reinvigorate the area after many years of decline. We are dismayed at the deteriorated state of the Jardinette Apartments. The Jardinette Apartments (5128 Marathon) was designed by acclaimed architect Richard Neutra and is both a National Register Building (1986) and City of Los Angeles Historic Cultural Monument (1988). We fully support Councilman O'Farrell's motion to investigate overall compliance with the Mills Act program and specifically the failure of the property owner to comply with the Mills Act Contract with the City for the Jardinette Apartments.

Since the City's entered into the Mills Act Contract in 2017, the Jardinette Apartments has continued to deteriorate. Construction activities have proceeded in fits and starts, leaving the Jardinette Apartments and the overall property in a deplorable state. The Contract requires the property to be maintained in "superior condition" and requires several millions of dollars in historic renovations. The property is not in "superior condition" and the renovation appears to be a mess.

Following a recent inspection of the Building by the Department of Building and Safety, (see attached photos) it was clear the property was in extremely poor condition. The Department issued the attached Notice of Correction following its inspection. The last item notes that the permits for the historic work may have expired.

The Mills Act Contract requires work on the Jardinette Apartments to be done in accordance with the Secretary of Interior standards. It is hard to imagine that the attached photos reflect work that is consistent with the Secretary of Interior Standards. We are unclear as to the status of oversight by the Office of Historic Resources.

We also are unclear if Mr. Hassid, the managing member of the opportunity fund entity that owns the property, intends to complete the rehabilitation or if he has entered into an agreement with Path Ventures for the sale of a 30% interest in the property. As you may know, Path Ventures is a very well respected non-profit affordable housing developer.

We understand that Path Ventures may have entered into a Letter of Intent dated September 13, 2021 (attached). The Letter of Intent was provided by Mr. Hassid to us earlier this year. We had a discussion with Mr. Hassid at the time regarding the potential acquisition of the Jardinette Apartments so that we could restore the property. The Letter of Intent states that Path Ventures would acquire a 30% interest in the Jardinette Apartments for a purchase price of \$8,000,000, putting the valuation of the Jardinette Apartments at \$22,000,000 or so. Mr. Hassid's entity acquired the Jardinette Apartments 9 months previously (in December 2020) for \$6.6 million. See attached.

Also attached is a Preliminary Title Report for the property that shows the property is still owned by Mr. Hassid's opportunity fund LLC and also shows the hundreds of thousands of dollars in mechanics liens recorded against the property (items 21 and 22). Given the information provided on the Preliminary Title Report, it is unclear what the status is of the transaction between Path Ventures and Mr. Hassid's opportunity fund LLC.

This building is an important Los Angeles and National Register building. Our goal is simple: to ensure the Jardinette Apartments is properly maintained and the Jardinette Apartments are rehabilitated in a manner that restores the true historic qualities of this spectacular Neutra building.

Sincerely,

Zach Lasry

A handwritten signature in black ink, appearing to read 'Zach Lasry', with a large, stylized 'Z' and a long horizontal stroke extending to the right.

Enclosures

cc: Councilman O'Farrell

Historical Property Contract Conditions

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

Los Angeles Department of City Planning
Historical Property Contracts Program
200 North Spring Street, Room 559
Los Angeles, California 90012

SPACE ABOVE THIS LINE IS RESERVED FOR RECORDER'S USE

TITLE(S)

HISTORICAL PROPERTY CONTRACT

BY AND BETWEEN THE CITY OF LOS ANGELES,
A MUNICIPAL CORPORATION, AND

CIP Jardinette Holding, LLC

(PRINT NAME OF EACH OWNER AS LISTED ON TITLE)

FOR THE PRESERVATION AND BENEFIT OF THE
HISTORIC-CULTURAL MONUMENT OR
CONTRIBUTING STRUCTURE PROPERTY LOCATED AT

5128 W. MARATHON ST.

(L.A.M.C. SECTIONS 19.140, et seq.)

THIS AGREEMENT is made and entered into this _____ day of _____, 2017, by and
(LEAVE DATE BLANK UNTIL RECORDED)

between the CITY OF LOS ANGELES, a municipal corporation (hereinafter referred to as the "City") and
CIP Jardinette Holding, LLC (hereinafter referred to as the "Owner").

(PRINT NAME OF EACH OWNER AS LISTED ON TITLE)

WITNESSETH:

- (i) California Government Code Sections 50280, et seq. authorize cities to enter into contracts with the owners of qualified historical properties to provide for the use, maintenance and restoration of such historical properties so as to retain their characteristics as properties of historical significance.
- (ii) Owner possesses fee title in and to that certain real property, together with associated structures and improvements thereon, commonly known as the Jardinette Apartments and located at the street address 5128 W Marathon St, Los Angeles, California 90038, (hereinafter such property shall be referred to as the "Property"). A legal description of the Property and Rehabilitation/Restoration/Maintenance Plan (hereinafter referred to as the "Plan") for the Property is attached hereto, marked as **Exhibit "A"**, and is incorporated herein by this reference.

HISTORICAL PROPERTY CONTRACT
REVISED APRIL 2017

- (iii) On October 4, 1988: (a) the City Council of the City of Los Angeles declared the Property Historic-Cultural Monument No. 390 pursuant to Section 22.171.10 of the Los Angeles Administrative Code (Council File No. 87-0865); or, (b) The Property was determined to be a Contributing Structure to the NA Historic Preservation Overlay Zone pursuant to Section 12.20.3 of the Los Angeles Municipal Code.

- (iv) City and Owner, for their mutual benefits, now desire to enter into this agreement both to protect and preserve the characteristics of historical significance of the Property and to qualify the Property for an assessment of valuation pursuant to the provisions of Section 439, et seq., of the California Revenue and Taxation Code.

NOW THEREFORE, City and Owner, in consideration of the mutual covenants and conditions set forth herein, do hereby agree as follows:

1. Effective Date and Term of Agreement.

This Historical Property Contract (hereinafter referred to as the "Agreement") shall be effective and commence on the date it is recorded (hereinafter referred to as the "effective date") and shall remain in effect for a term of ten (10) years thereafter. Each year upon the anniversary of the effective date, such initial term will automatically be extended, subject to provisions of paragraph 2, below.

2. Renewal.

Each year on the anniversary of the effective date of this Agreement (hereinafter referred to as the "renewal date"), a year shall automatically be added to the initial term of this Agreement unless notice of nonrenewal is mailed as provided herein. If either Owner or City desires in any year not to renew the Agreement, Owner or City shall serve written notice of nonrenewal of the Agreement on the other party in advance of the annual renewal date of the Agreement. Unless such notice is served by Owner to City at least ninety (90) days prior to the annual renewal date, or served by City to Owner at least sixty (60) days prior to the annual renewal date, one (1) year shall automatically be added to the term of the Agreement as provided herein. Upon receipt by Owner of a notice of nonrenewal from City, Owner may make a written protest of the notice. City may, at any time prior to the annual renewal date of the Agreement, withdraw its notice to Owner of nonrenewal. If either City or Owner serves notice to the other of nonrenewal in any year, the Agreement shall remain in effect for the balance of the term then remaining, either from its original execution or from the last renewal of the Agreement, whichever may apply.

3. Standards for Historical Property.

During the term of this Agreement, the Property shall be subject to the following conditions, requirements and restrictions:

- a. Owner shall preserve and maintain the characteristics of historical significance of the Property in accordance with the Plan. Attached hereto, marked as **Exhibit "B"**, and incorporated herein by this reference, is a list of those minimum standards and conditions for maintenance, use and preservation of the Property, which shall apply to such property throughout the term of this Agreement.
- b. Owner shall restore and rehabilitate the property according to the Plan, the rules and

HISTORICAL PROPERTY CONTRACT
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regulations of the Secretary of the Interior's Standards for Rehabilitation (Exhibit "B"), and the California Historical Building Code.

- c. Owner shall allow reasonable periodic examinations, by prior appointment, of the interior and exterior of the Property by representatives of the City, County or City and County prior to any new agreement and every 5 years thereafter, and as may be necessary to determine owner's compliance with the terms and provisions of this Agreement.

4. Provision of Information of Compliance.

Owner hereby agrees to furnish City with any and all information requested by the City which may be necessary or advisable to determine compliance with the terms and provisions of this Agreement.

5. Cancellation.

City, following a duly noticed public hearing as set forth in California Government Code Sections 50280, et seq., may cancel this Agreement if it determines that Owner breached any of the conditions of this Agreement or has allowed the property to deteriorate to the point that it no longer meets the standards for a Historic-Cultural Monument or Contributing Structure. City may also cancel this Agreement if it determines that the Owner has failed to restore or rehabilitate the property in the manner specified in subparagraph 3(b) of the Agreement, including but not limited to Owner's failure to comply with the Plan and/or Owner's failure to complete the rehabilitation and restoration identified in the Plan as provided for in the Plan. Except as otherwise provided in Section 19.143 of the Los Angeles Municipal Code, in the event of cancellation of this Agreement by the City, Owner shall pay the State of California a cancellation fee of Twelve and One-Half percent (12 1/2%) of the current fair market value of the Property at the time of cancellation, as determined by County Assessor without regard to any restrictions on the Property imposed pursuant to this Agreement. Payment of the fee shall be made in accordance with the provisions of subsection (b) of Section 50286 of the Government Code.

6. Enforcement of Agreement.

In lieu of and/or in addition to any provisions to cancel the Agreement as referenced herein, City may specifically enforce, or enjoin the breach of, the terms of this Agreement. In the event of a default under the provisions of this Agreement by Owner, City shall give written notice to Owner by registered or certified mail addressed to the address stated in this Agreement, and if such a violation is not corrected to the reasonable satisfaction of the City within thirty (30) days thereafter, or if not corrected within such a reasonable time as may be required to cure the breach or default if said breach or default cannot be cured within thirty (30) days (provided that acts to cure the breach or default must be commenced within thirty (30) days and must thereafter be diligently pursued to completion by Owner), then City may, without further notice, declare a default under the terms of this Agreement and may bring any action necessary to specifically enforce the obligations of Owner pursuant to the terms of this Agreement, apply to any court, state or federal, for injunctive relief against any violation by Owner, or apply for such other relief as may be appropriate. City does not waive any claim of default by Owner if City does not enforce or cancel this Agreement. All other remedies at law or in equity which are not otherwise provided for in this Agreement or in City's regulations governing historic properties

Exhibit A

CITY OF LOS ANGELES

HISTORICAL PROPERTY CONTRACT APPLICATION FORM

OWNER INFORMATION

PROPERTY ADDRESS: 5128 W Marathon St Los Angeles, Ca 90038
 OWNER(S) OF PROPERTY: CIP Jardinette Holding, LLC
 OWNER(S) MAILING ADDRESS: 30012 Ovy Glenn Drive, #200 Laguna Niguel, Ca 92677
 HOME TELEPHONE: _____ WORK TELEPHONE: 949.363.7676
 MOBILE TELEPHONE: _____ ALTERNATE TELEPHONE: _____
 OWNER(S) EMAIL: bob@cip-inc.com ALTERNATE EMAIL: _____

PROPERTY INFORMATION

Legal Description: TRACT: TR 3783 BLOCK: None LOT: 16 ARB: None
 Assessor Identification Number (AIN): 5535 - 017 - 014 COUNCIL DISTRICT NO.: 13
 PROPERTY PURCHASE DATE: 9/15/2016 MOST RECENT ASSESSED VALUE: \$6,425,000
 OWNER OCCUPIED: ☐ YES ☒ NO USE: ☐ SINGLE-FAMILY DWELLING ☒ MULTI-FAMILY/ COMMERCIAL/ INDUSTRIAL
 ADDRESSES FOR ALL OTHER PROPERTY OWNED WITHIN THE CITY OF LOS ANGELES ARE NOTED ON A SEPARATE SHEET OF PAPER, LABELED "ATTACHMENT E", AND SUBMITTED WITH THIS APPLICATION? ☒ YES ☐ NO
 TAXES ON ALL PROPERTY OWNED WITHIN THE CITY OF LOS ANGELES ARE PAID TO DATE? ☒ YES ☐ NO
 ARE THERE ANY OUTSTANDING ORDERS TO COMPLY FROM THE LOS ANGELES DEPARTMENT OF BUILDING AND SAFETY OR THE LOS ANGELES HOUSING DEPARTMENT? ☐ YES ☒ NO

HISTORICAL SIGNIFICANCE

☒ HISTORIC-CULTURAL MONUMENT (HCM)
 HCM NUMBER: 390 HCM NAME: Jardinette Apartment
☐ CONTRIBUTOR TO A HISTORIC PRESERVATION OVERLAY ZONE (HPOZ)
 HPOZ NAME: _____ HISTORIC PROPERTY NAME: Jardinette Apartments
 ORIGINAL CONSTRUCTION DATE: 1929 ARCHITECT(S): Richard J. Neutra/Rudolf M. Schindler
 ARCHITECTURAL STYLE: International

I AM (WE ARE) THE PRESENT OWNER(S) OF THE PROPERTY DESCRIBED ABOVE AND HEREBY APPLY FOR AN HISTORICAL PROPERTY CONTRACT

Robert W. Clippinger 5-10-17
 OWNER SIGNATURE Robert W. Clippinger DATE OWNER SIGNATURE _____ DATE _____
CIP JARDINETTE, LLC
 PRINT NAME PRINT NAME

EXHIBIT "A"

Revised January 2017

Attachment E

5128 W. Marathon St. Los Angeles, Ca 90038

101 S. Norton Ave.
Los Angeles, Ca 90004

CITY OF LOS ANGELES

REHABILITATION/RESTORATION/MAINTENANCE PLAN

PROPERTY ADDRESS: 5128 W. Marathon St. Los Angeles, CA 90038

Use this form to propose all preservation work necessary to rehabilitate the property. In this plan, include all of the expected maintenance, restoration and replacement of historic features on the property, NOT modernization, remodels, or construction of new elements. Although modernization may be an important part of your rehabilitation project, this form is meant to specifically capture the preservation work involved and not anything else. Copy this page as necessary to include all items that apply to your property. Begin by listing recently completed preservation work (if applicable) and continue with work proposed to complete within the next ten years arranging in order of priority.

☐ Maintenance ☒ Rehabilitation/Restoration ☐ Completed ☐ Proposed

Building Structure - Analysis

Building Feature: _____
 Cost \$ 13,125 (round to nearest dollar) Contract Year of Proposed Work Completion: _____
 Description of work: Engage structural engineer with historic preservation experience to inspect and evaluate foundation and make recommendations with an implementation schedule for future work

☐ Maintenance ☒ Rehabilitation/Restoration ☐ Completed ☒ Proposed

Building Structure - Waterproofing

Building Feature: _____
 Cost \$ 30,000 (round to nearest dollar) Contract Year of Proposed Work Completion: 2018
 Description of work: Engage consultant with historic preservation experience to inspect and evaluate exterior + below grade concrete and make recommendations for waterproofing based on condition discovered.

☐ Maintenance ☒ Rehabilitation/Restoration ☐ Completed ☒ Proposed

Building Systems - Seismic

Building Feature: _____
 Cost \$ 700,000 (round to nearest dollar) Contract Year of Proposed Work Completion: 2018
 Description of work: Perform voluntary Seismic Upgrade, to greatest extent feasible. Work can include anchoring wood floor diaphragm to concrete shell, re-sheathing wood floor diaphragm, fiberwrap reinforcing to exterior concrete wall (from inside), and foundation work.

☐ Maintenance ☒ Rehabilitation/Restoration ☐ Completed ☒ Proposed

Building Systems - Electrical

Building Feature: _____
 Cost \$ 400,000 (round to nearest dollar) Contract Year of Proposed Work Completion: 2018
 Description of work: Rehabilitate building electrical system, including new transformer, new wiring, switches, lighting, etc.

EXHIBIT "A"

HISTORICAL PROPERTY CONTRACT APPLICATION
REVISED APRIL 2017

REHABILITATION/RESTORATION/MAINTENANCE PLAN

PROPERTY ADDRESS: 5128 W. Marathon St. Los Angeles, CA 90038

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☐ Maintenance ☒ Rehabilitation/Restoration ☐ Completed ☒ Proposed

Building Feature: Building Systems - PlumbingCost \$ 400,000 (round to nearest dollar) Contract Year of Proposed Work Completion: 2018Description of work: Rehabilitate building plumbing system, including new supply, waste, vent, gas lines.

☐ Maintenance ☒ Rehabilitation/Restoration ☐ Completed ☒ Proposed

Building Feature: Building Systems - MechanicalCost \$ 400,000 (round to nearest dollar) Contract Year of Proposed Work Completion: 2018Description of work: Install new mechanical system, including new "mini-split" systems in each unit, new rooftop condenser units, and new ventilation system.

☐ Maintenance ☒ Rehabilitation/Restoration ☐ Completed ☒ Proposed

Building Feature: RoofingCost \$ 12,500 (round to nearest dollar) Contract Year of Proposed Work Completion: 2018Description of work: Patch and repair as required by MEP rehabilitation. Investigate and address location of any leaks, condition of drainage system, waterproofing, and flashing.

☐ Maintenance ☒ Rehabilitation/Restoration ☐ Completed ☒ Proposed

Building Feature: Interior Walls (plaster/drywall)Cost \$ 135,000 (round to nearest dollar) Contract Year of Proposed Work Completion: 2018Description of work: Restore walls to original finish, including millwork (wall and base moulding)

EXHIBIT "A"

HISTORICAL PROPERTY CONTRACT APPLICATION
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REHABILITATION/RESTORATION/MAINTENANCE PLAN

PROPERTY ADDRESS: 5128 W. Marathon St. Los Angeles, CA 90038

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☐ Maintenance ☒ Rehabilitation/Restoration ☐ Completed ☒ Proposed

Building Feature: FlooringCost \$ 325,000 (round to nearest dollar) Contract Year of Proposed Work Completion: 2018Description of work: Install period-appropriate flooring.

☐ Maintenance ☒ Rehabilitation/Restoration ☐ Completed ☒ Proposed

Building Feature: WindowsCost \$ 900,000 (round to nearest dollar) Contract Year of Proposed Work Completion: 2018Description of work: Repair, rehabilitation, or replacement, to greatest extent feasible, of steel casement windows / skylights.

☐ Maintenance ☒ Rehabilitation/Restoration ☐ Completed ☒ Proposed

Building Feature: Interior DoorsCost \$ 75,000 (round to nearest dollar) Contract Year of Proposed Work Completion: 2018Description of work: Rehabilitate (or replace where needed) interior doors.

☐ Maintenance ☒ Rehabilitation/Restoration ☐ Completed ☒ Proposed

Building Feature: Exterior and Interior SurfacesCost \$ 350,000 (round to nearest dollar) Contract Year of Proposed Work Completion: 2018Description of work: Paint interior and exterior of building.

EXHIBIT "A"

HISTORICAL PROPERTY CONTRACT APPLICATION
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REHABILITATION/RESTORATION/MAINTENANCE PLAN

PROPERTY ADDRESS: 5128 W. Marathon St. Los Angeles, CA 90038

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☐ Maintenance ☒ Rehabilitation/Restoration ☐ Completed ☒ Proposed

Building Feature: Hardscape and LandscapeCost \$ 35,000 (round to nearest dollar) Contract Year of Proposed Work Completion: 2018Description of work: Repair/Replace front walkway and sidewalks and install landscaping.

☐ Maintenance ☒ Rehabilitation/Restoration ☐ Completed ☒ Proposed

Building Feature: BathroomsCost \$ 300,000 (round to nearest dollar) Contract Year of Proposed Work Completion: 2018Description of work: Rehabilitate, to greatest extent feasible, original fixtures, accessories, and finishes. Ensure proper waterproofing throughout.

☐ Maintenance ☒ Rehabilitation/Restoration ☐ Completed ☒ Proposed

Building Feature: Fire Sprinkler SystemCost \$ 80,000 (round to nearest dollar) Contract Year of Proposed Work Completion: 2018Description of work: Upgrade existing fire sprinkler system to comply with current code, enabling the opening of stairways to restore original spatial configuration.

☐ Maintenance ☒ Rehabilitation/Restoration ☐ Completed ☒ Proposed

Building Feature: KitchensCost \$ 300,000 (round to nearest dollar) Contract Year of Proposed Work Completion: 2018Description of work: Restore original cabinets / spatial layout, to greatest extent feasible. Install new cabinets where required. Install new appliances and plumbing fixtures.

EXHIBIT "A"

REHABILITATION/RESTORATION/MAINTENANCE PLAN

PROPERTY ADDRESS: 5128 W. Marathon St. Los Angeles, CA 90038

Use this form to propose all preservation work necessary to rehabilitate the property. In this plan, include all of the expected maintenance, restoration and replacement of historic features on the property, NOT modernization, remodels, or construction of new elements. Although modernization may be an important part of your rehabilitation project, this form is meant to specifically capture the preservation work involved and not anything else. Copy this page as necessary to include all items that apply to your property. Begin by listing recently completed preservation work (if applicable) and continue with work proposed to complete within the next ten years arranging in order of priority.

☐ Maintenance ☒ Rehabilitation/Restoration ☐ Completed ☒ Proposed

Building Feature: LobbyCost \$ 100,000 (round to nearest dollar) Contract Year of Proposed Work Completion: 2018Description of work: Restore Lobby to original spatial configuration, to greatest extent feasible, pending fire department approval (opening stair shaft enclosure).

☐ Maintenance ☒ Rehabilitation/Restoration ☐ Completed ☒ Proposed

Building Feature: Fire EscapesCost \$ 25,000 (round to nearest dollar) Contract Year of Proposed Work Completion: 2018Description of work: Rehabilitate existing fire escapes to greatest extent feasible.

☐ Maintenance ☐ Rehabilitation/Restoration ☐ Completed ☐ Proposed

Building Feature: _____

Cost \$ _____ (round to nearest dollar) Contract Year of Proposed Work Completion: _____

Description of work: _____

☐ Maintenance ☐ Rehabilitation/Restoration ☐ Completed ☐ Proposed

Building Feature: _____

Cost \$ _____ (round to nearest dollar) Contract Year of Proposed Work Completion: _____

Description of work: _____

EXHIBIT "A"

Exhibit B

CITY OF LOS ANGELES

MAINTENANCE AND REHABILITATION STANDARDS AND CONDITIONS

Secretary of the Interior's Standards for Rehabilitation

1. A property will be used as it was historically or be given a new use that requires minimal change to its distinctive materials, features, spaces, and spatial relationships.
2. The historic character of a property will be retained and preserved. The removal of distinctive materials or alteration of features, spaces, and spatial relationships that characterize a property will be avoided.
3. Each property will be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or elements from other historic properties, will not be undertaken.
4. Changes to a property that have acquired historic significance in their own right will be retained and preserved.
5. Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a property will be preserved.
6. Deteriorated historic features will be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature will match the old in design, color, texture, and, where possible, materials. Replacement of missing features will be substantiated by documentary and physical evidence.
7. Chemical or physical treatments, if appropriate, will be undertaken using the gentlest means possible. Treatments that cause damage to historic materials will not be used.
8. Archeological resources will be protected and preserved in place. If such resources must be disturbed, mitigation measures will be undertaken.
9. New additions, exterior alterations, or related new construction will not destroy historic materials, features, and spatial relationships that characterize the property. The new work shall be differentiated from the old and will be compatible with the historic materials, features, size, scale and proportion, and massing to protect the integrity of the property and its environment.
10. New additions and adjacent or related new construction will be undertaken in such a manner that, if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

Property Maintenance

All buildings, structures, yards and other improvements shall be maintained in a superior manner. All current building and zoning codes will be enforced. The following conditions are prohibited:

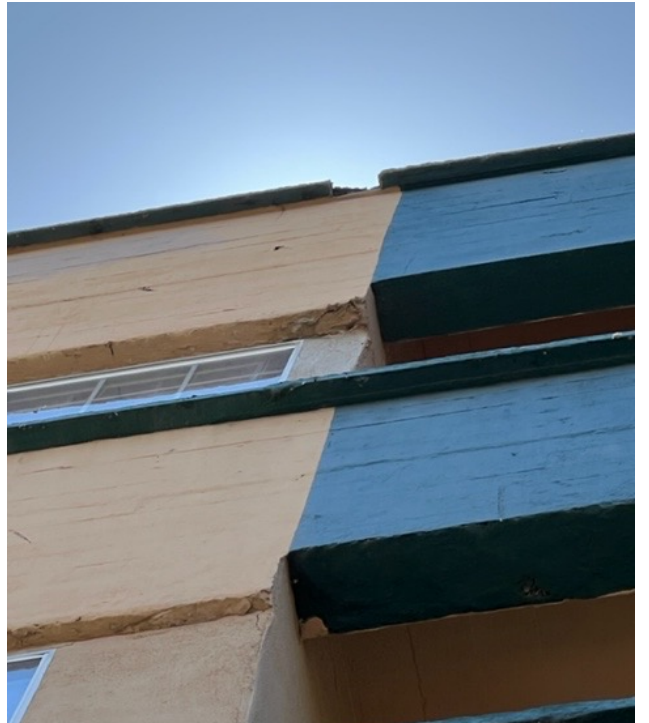
- a. Dilapidated buildings or features such as fences, roofs, doors, walls and windows.
- b. Abandoned or discarded objects, equipment or materials such as automobiles, automobile parts, furniture, appliances, containers, lumber or similar items stored outside but within property lines.
- c. Stagnant water or open excavations.
- d. Any device, decoration or structure, which is unsightly by reason of its height, condition or location.
- e. Peeling exterior paint or unremoved/uncovered graffiti.
- f. Overgrown landscaping, exposed bald areas within yards or grounds and broken hardscape features which could cause injury.
- g. Other substandard conditions as cited by the Cultural Heritage Commission, the Director of Planning, or the City's Historical Property Contracts Manager.

Conditions

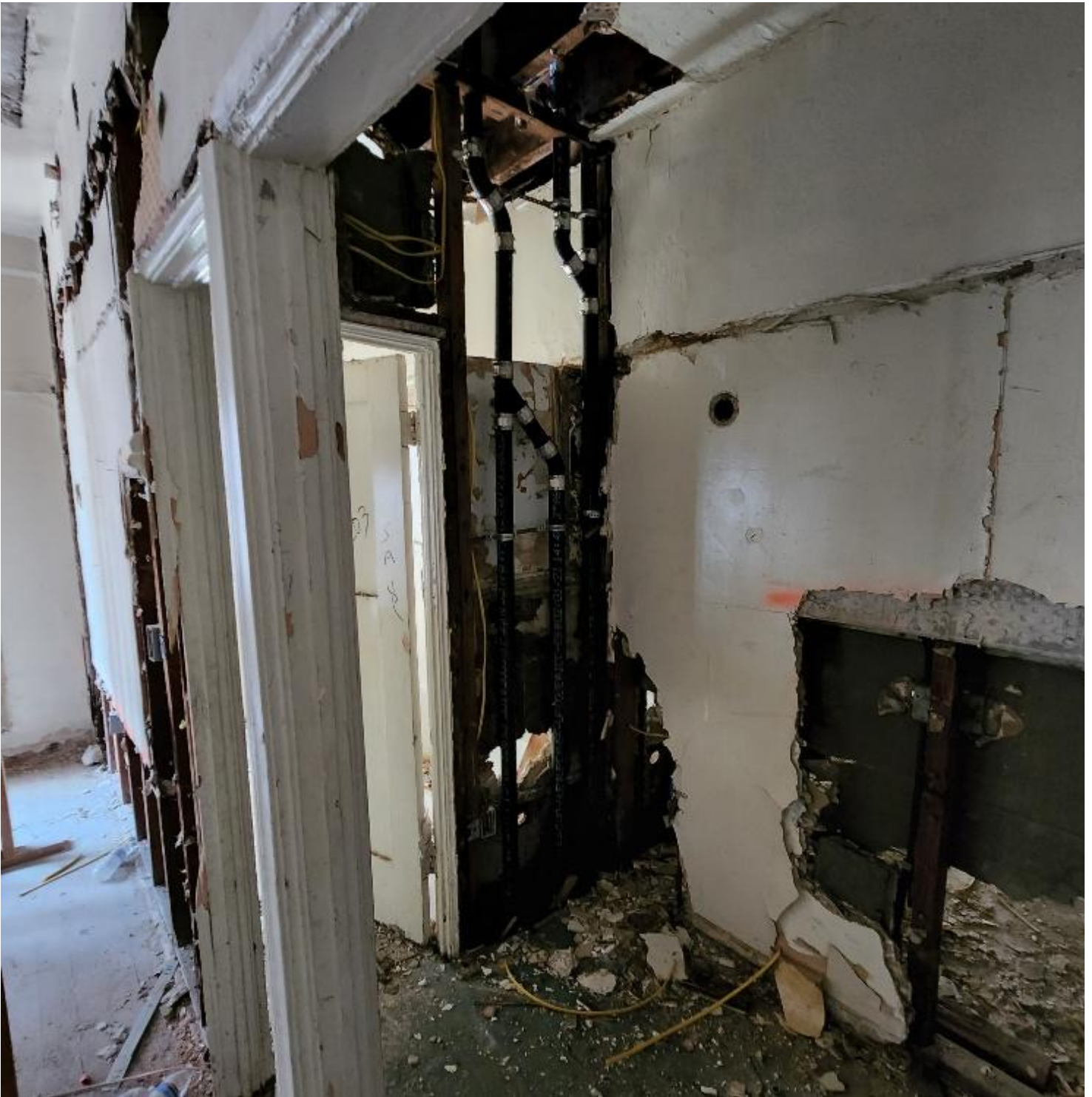
This Historical Property Contract provides the potential for property tax reduction in exchange for agreement to rehabilitate and maintain an historic building. Existing conditions not in conformance with the Secretary of the Interior's Standards, may be required to be removed and the original conditions remedied as part of this contract.

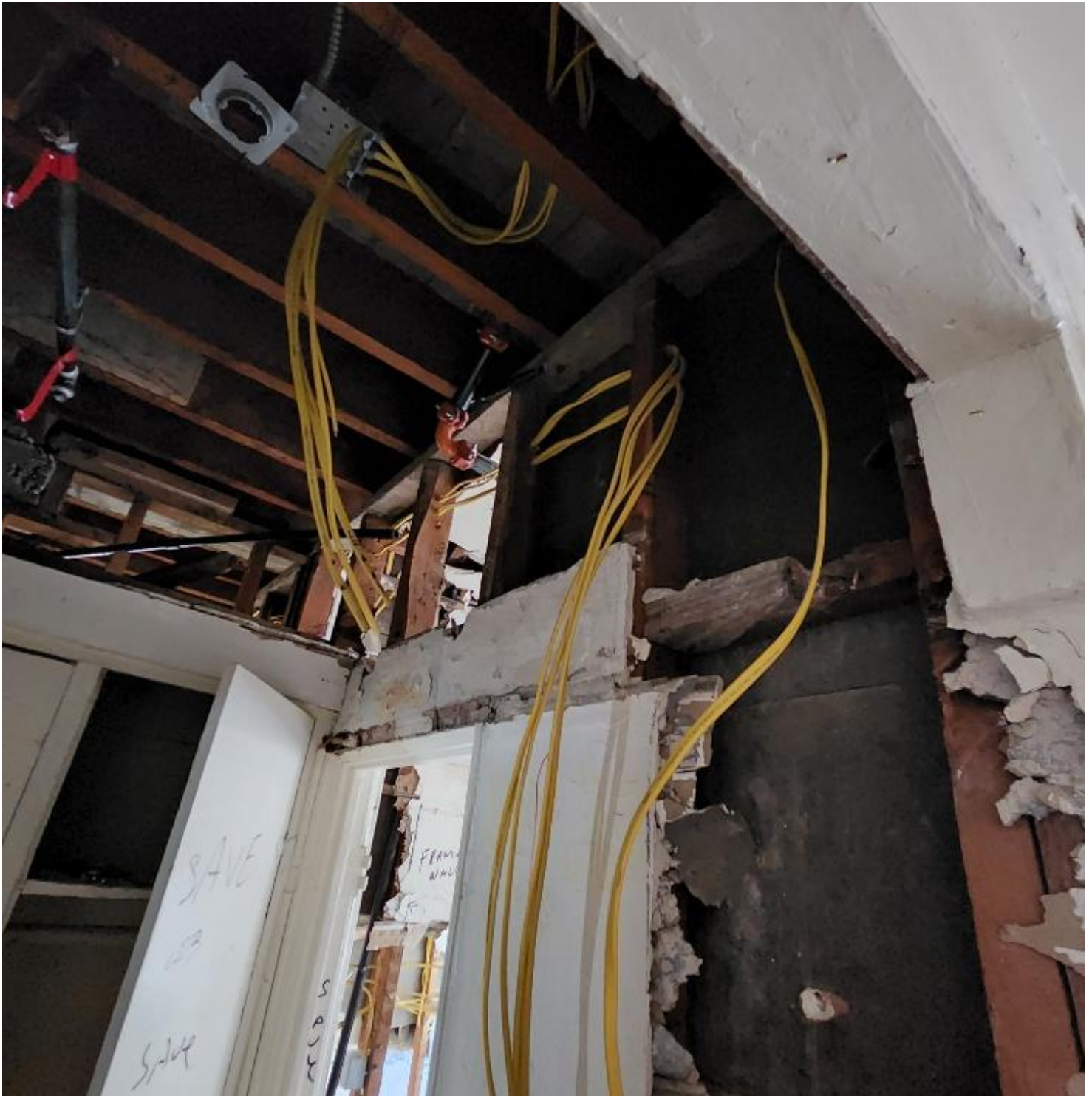
EXHIBIT "B"

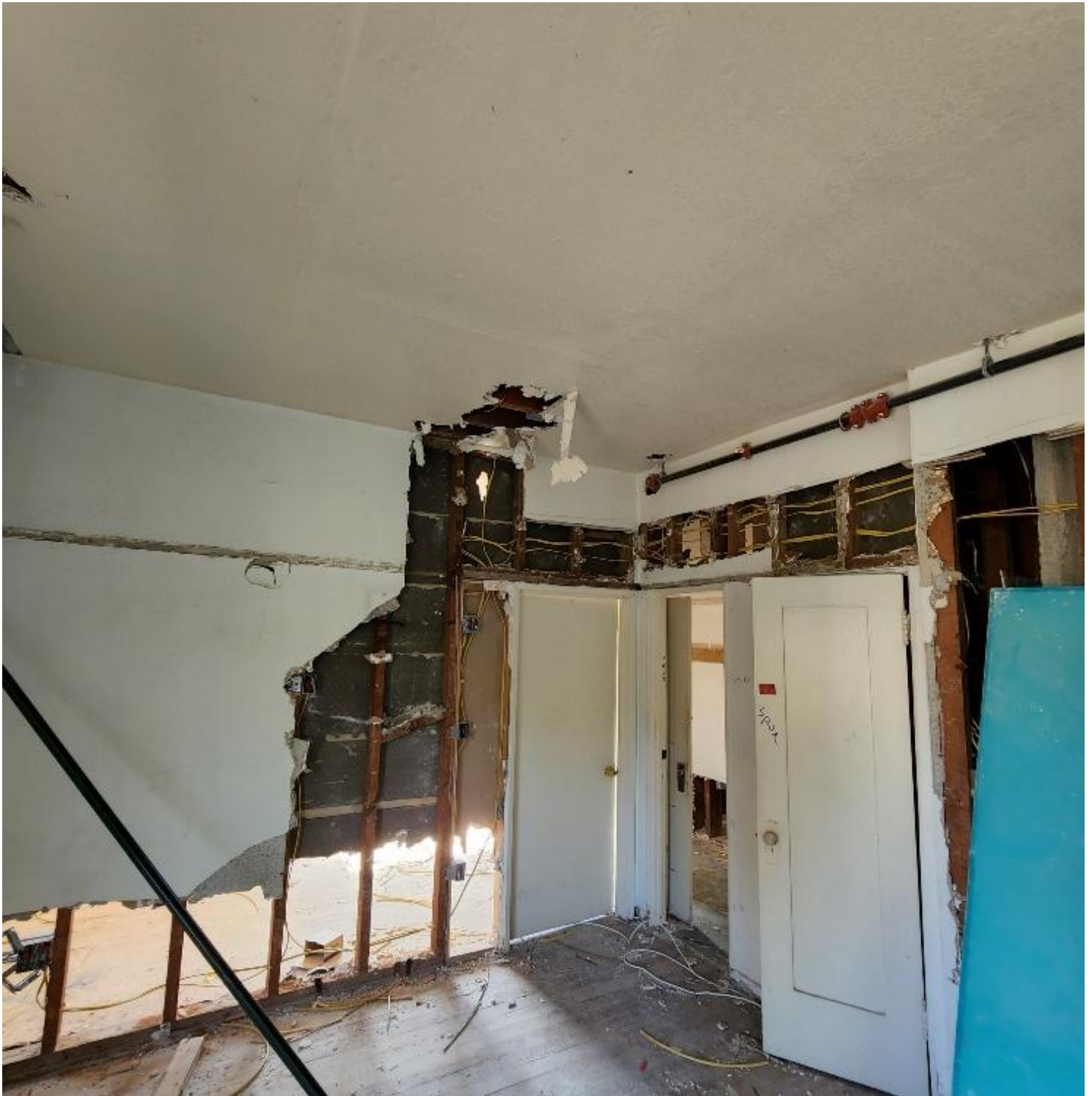
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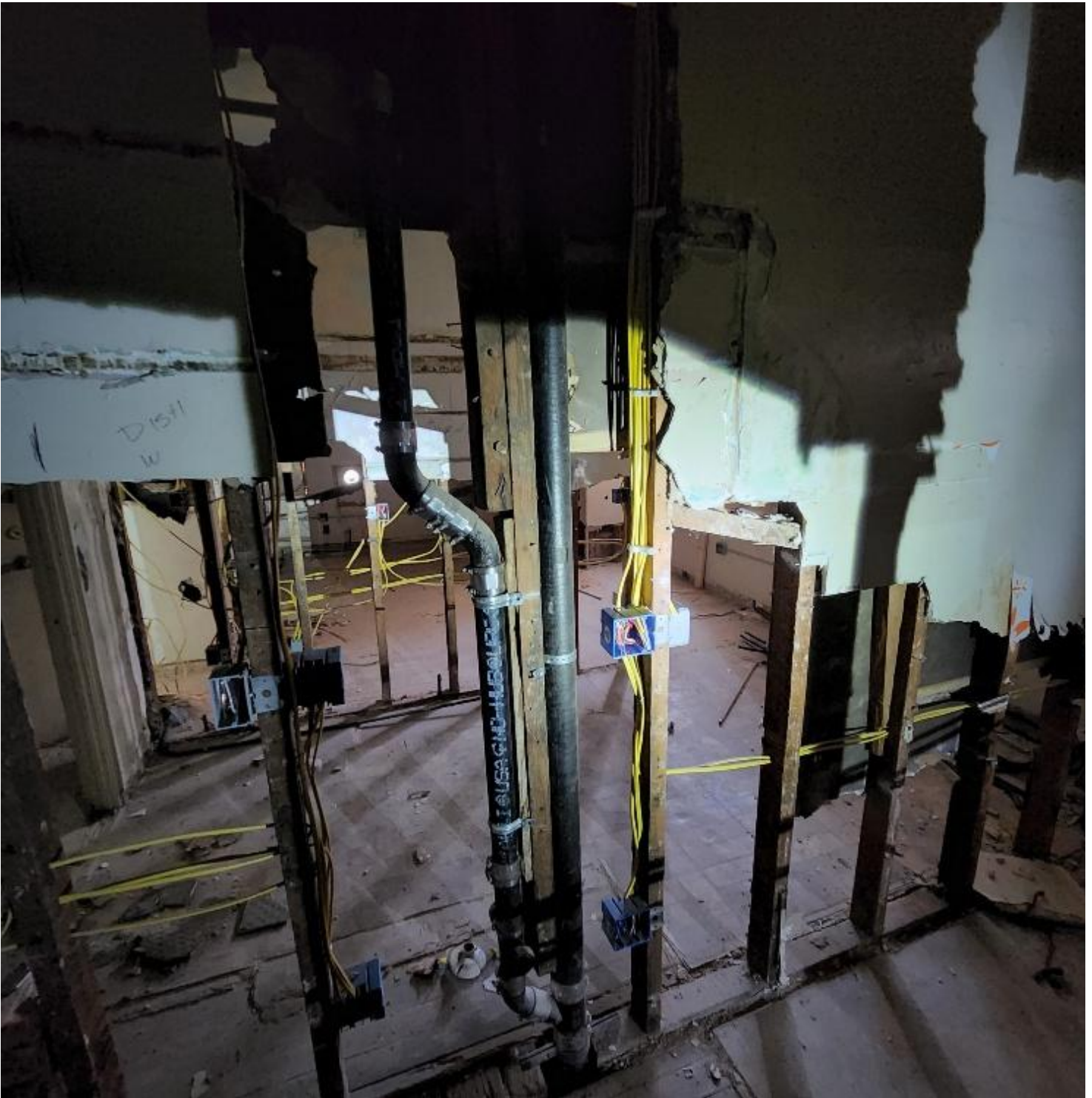


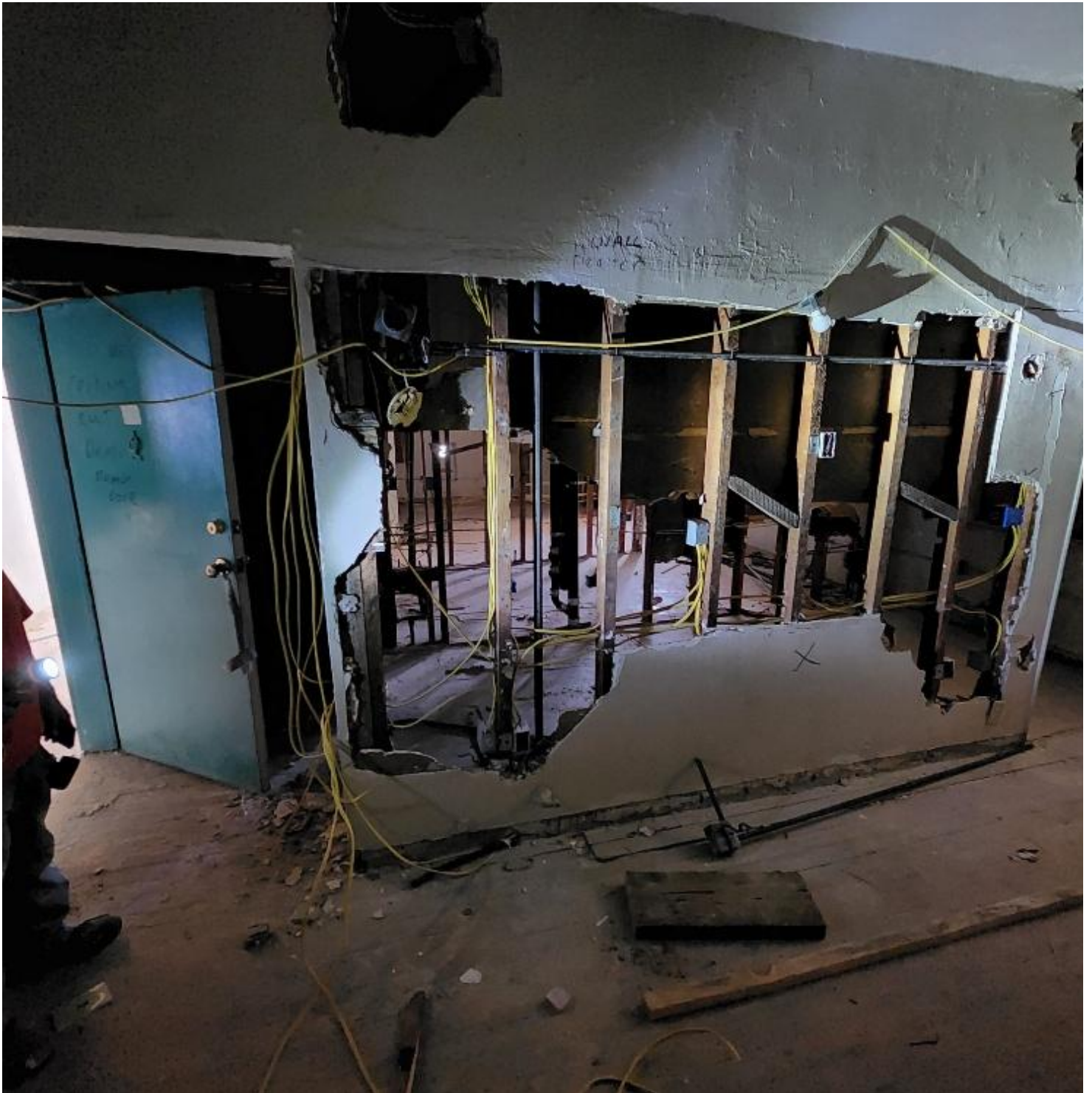












Monday, September 13, 2021

Cameron Hassid,

9100 Wilshire Blvd, STE 725E
Beverly Hill, CA 90212



**Re: Offer to Purchase
Partial interest in 5128 Marathon Street**

Dear Mr. Hassid,

PATH Ventures is pleased to present this Letter of Intent ("LOI"), which outlines the general terms and conditions by which PATH Ventures ("Buyer") would enter into an agreement to purchase a partial interest in the above referenced property upon construction completion.

- 1. Property:** One (1) parcel consisting of approximately 9,150 square feet and all the rights, improvements, and appurtenances thereon, located at 5128 Marathon Street, City of Los Angeles, County of Los Angeles and State of California (the "Property").
- 2. Purchase Price and Method of Payment:** The purchase price for the interest in the Property shall be **eight million dollars (\$8,000,000)** in immediately available cash funds at the close of escrow, less any deposits previously paid.
- 3. Purpose of Partnership** Following the acquisition, the Seller and Buyer shall enter into a partnership wherein the Seller shall be responsible for general property operations and management while the Buyer shall lease-up the building and provide supportive services to a formerly homeless, special needs population.
- 4. Partnership Distributions** The partnership shall be formed with the Seller retaining a seventy (70.0%) interest in the property and the Buyer assuming a thirty (30%) interest in the property.

Cashflow after debt service shall be distributed pro rata based on the above-mentioned partnership interests.

Seller shall retain all income derived from the existing cellular data tower lease at the property.
- 5. Due Diligence Period:** Buyer shall be granted until **forty-five days (45) days** after the opening of escrow to investigate the Property and satisfy itself in its sole and absolute discretion as to the suitability of the Property for acquisition (the "Due Diligence Period"). Within **three (3) days** of opening escrow, Seller shall provide Buyer with access to relevant Property documents in its possession.
- 6. Deposit:** Upon the opening of escrow, Buyer shall deposit **one hundred thousand (\$150,000) dollars** to the Escrow Agent. The Escrow Deposit shall be refundable in full if Buyer cancels the Escrow at any time prior to the expiration of the Due Diligence Period. After the Due

Diligence period expires the Escrow Deposit shall become non-refundable and **fifty thousand (\$50,000) dollars** of the deposit shall be released from escrow in favor of the Seller.

- 7. Close of Escrow:** Escrow shall close within **ninety (90) days** following the expiration of the due diligence period. Buyer shall be granted **two (2) options to extend** the closing deadline by **thirty (30) days**, provided that an additional deposit of **fifty thousand (\$50,000) dollars** be deposited with the escrow holder and immediately released in favor of the seller for **each thirty (30) day option** the Buyer exercises.
- 8. Condition of the Property:** Buyer is to purchase the property "As Is, Where Is" and title shall be delivered to Buyer free of any and all encumbrances and liens.
- 9. Management of the Property:** During the Due Diligence Period, Seller shall continue to operate the Property in the same manner and shall maintain the improvements in workable order.
- 10. Rent Roll and Estoppel Certificates:** N/A
- 11. Seller Lease Back:** N/A
- 12. Conduct of Escrow, Prorations, and Costs:** Escrow shall be deemed open when both a fully executed Purchase Agreement and Escrow Deposit have been delivered. Deposits called for in this transaction shall be by wire transfer. For loans, bonds and other financial obligations being paid off at closing, all shall be paid off at no cost to Buyer; Costs associated with Buyer's due diligence, including but not limited to legal and engineering fees, will be paid by Buyer; Buyer and Seller shall each be responsible for their respective legal fees and costs associated with negotiations including preparation and signing of Purchase Agreement, and shall each bear one half (1/2) of the escrow fee. Seller shall pay from closing proceeds all documentary transfer taxes, title insurance fees for a CLTA Policy and other normal closing costs. Buyer shall pay the premium increase for an ALTA Extended Policy, if desired. Taxes and any other items, which are normally prorated, shall be prorated and paid through escrow. Upon close of escrow, Seller shall provide evidence in the form of lien releases for all contractors, vendors and professional service providers, that all invoices for construction and professional services have been paid. In the event Seller is unable to provide such releases at close of escrow, Seller shall provide the appropriate mechanics lien endorsement to the title insurance policy.
- 13. Documentation:** Immediately upon acceptance of these terms and conditions, Buyer shall prepare for review and comment by Seller the Purchase Agreement and Escrow Instructions. The Buyer and Seller shall reasonably cooperate in preparing and executing such other collateral documentation and agreements as may be necessary to implement the proposed transaction as intended herein.

14. Brokerage:

Seller represents that it has not entered into any agreement, arrangement or understanding with any person or firm which will result in the obligation of Purchaser to pay any finder's fee, brokerage commission or similar payment in connection with the transactions contemplated hereby.

15. Acceptance:

These terms and conditions shall remain valid until 11:59:59 p.m. (PST) on September 21, 2021. After such time, this non-binding proposal shall be considered null and void.

The above-described transaction involves many essential terms and conditions. This letter is not intended to be a complete and/or final list of the terms and conditions that will become part of the final Purchase Agreement and Escrow Instructions. Notwithstanding anything contained in this letter to the contrary and/or any actions taken hereafter by either Buyer or Seller, it is understood that neither Purchaser nor Seller will be legally bound in any manner unless and until a Purchase Agreement has been prepared, executed and delivered by both Buyer and Seller.

Each party intends that all legal rights and obligations between the parties will come into existence if, and only if, a definitive Purchase Agreement setting forth such legal rights and obligations is signed and delivered.

Sincerely,



Joel John Roberts
Chief Executive Officer
PATH Ventures

Accepted on this ____ day of _____, 2021

By: _____

Cameron Hassid
Principal
Neutra Jardinette on Marathon QOZ, LLC



Fidelity National Title Company

5000 Van Nuys Blvd., Suite 500, Sherman Oaks, CA 91403
Phone: (818) 881-7800

Issuing Policies of Fidelity National Title Insurance Company

ORDER NO.: 00356269-994-VNO-TG
LOAN NO.:

Title Officer: Tony Grande
Phone: (818) 881-7800 Ext. 5755
Fax: (818) 774-1814
Email: Team.Tony@fnf.com

Compass Realty
150 South Rodeo Drive, Suite 100
Beverly Hills, CA 90212

ATTN:
YOUR REF: 5128 Marathon St

PROPERTY: 5128 Marathon Street, Los Angeles, CA 90038

PRELIMINARY REPORT

*In response to the application for a policy of title insurance referenced herein, **Fidelity National Title Company** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.*

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The policy(s) of title insurance to be issued hereunder will be policy(s) of Fidelity National Title Insurance Company, a Florida corporation.

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.

Countersigned by:

Cindy Fried

Authorized Signature



Fidelity National Title Company

5000 Van Nuys Blvd., Suite 500, Sherman Oaks, CA 91403
Phone: (818) 881-7800

PRELIMINARY REPORT

EFFECTIVE DATE: June 23, 2022 at 7:30 a.m.

ORDER NO.: 00356269-994-VNO-TG

The form of policy or policies of title insurance contemplated by this report is:

CLTA Standard Coverage Policy of Title Insurance (4-8-14)
ALTA Extended Loan Policy (7-1-21)

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

A FEE

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

RCMF 2018-FL2 Marathon Street, LLC, a Delaware Limited Liability Company, subject to Instrument No. 2020-1743379 as shown on schedule "B" herein

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

See Exhibit A attached hereto and made a part hereof.

EXHIBIT A
LEGAL DESCRIPTION

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

LOT 16 OF TRACT NO. 3783, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 41 PAGE 44, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, CALIFORNIA.

APN: 5535-017-014

PLOTTED EASEMENTS

EXCEPTIONS

AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2022-2023.
2. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.

Note: If said supplementals (if any) are not posted prior to the date of closing, this company assumes no liability for payment thereof.

3. Water rights, claims or title to water, whether or not disclosed by the public records.
4. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the Public Records.

The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.

The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

5. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose:	Public utilities
Recording No.:	Book 1130, Page 46 , of Official Records
Affects:	The rear 5 feet of said land

6. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including, but not limited to those based upon age, race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, genetic information, medical condition, citizenship, primary language, and immigration status, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable laws, as set forth in the document referred to in the numbered item last above shown.

Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value.

7. Matters contained in that certain document

Entitled:	Resolution Historical Resources Designation
Dated:	October 4, 1988
Executed by:	Cultural Heritage Commission
Recording Date:	November 2, 1994
Recording No.:	1994-1982834 , of Official Records

Reference is hereby made to said document for full particulars

EXCEPTIONS
(Continued)

8. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document:

Granted To: American Cablesystems of California, Inc.
Purpose: Cable facilities
Recording Date: December 9, 1999
Recording No.: [1999-2276012, of Official Records](#)
Affects: As described therein

9. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein as disclosed by the document

Entitled: Memorandum of Lease
Lessor: Timothy P. Hopkins and Graciela T. Hopkins, husband and wife, as community property
Lessee: AB Cellular LA, LLC, a Delaware Limited Liability Company
Recording Date: July 21, 2005
Recording No.: [2005-1726254, of Official Records](#)

The present ownership of the leasehold created by said lease and other matters affecting the interest of the lessee are not shown herein.

10. An instrument entitled Master Covenant and Agreement

Executed by: Timothy Hopkins and Graciela Hopkins
In favor of: City of Los Angeles and The City Planning Department
Recording Date: September 29, 2005
Recording No.: [2005-2359004, of Official Records](#)

Which among other things provides: As provided therein

Reference is hereby made to said document for full particulars.

This covenant and agreement provides that it shall be binding upon any future owners, encumbrances, their successors or assigns, and shall continue in effect until the advisory agency approves termination.

11. The Land described herein is included within a project area of the Redevelopment Agency shown below, and that proceedings for the redevelopment of said project have been instituted under the Redevelopment Law (such redevelopment to proceed only after the adoption of the Redevelopment Plan) as disclosed by a document.

Redevelopment Agency: The Wilshire Center/Koreatown Property
Recording Date: December 26, 1995
Recording No.: [1995-2040205, of Official Records](#)

and Recording Date: November 30, 2007
and Recording No.: [2007-2636447, of Official Records](#)

**EXCEPTIONS
(Continued)**

12. Matters contained in that certain document

Entitled: Historical Property Contract
Executed by: The City of Los Angeles, a Municipal Corporation and CIP Jardinette Holding, LLC
Recording Date: December 8, 2017
Recording No.: 2017-1428131, of Official Records

Reference is hereby made to said document for full particulars

13. A financing statement as follows:

Debtor: CIP Jardinette Holding, LLC
Secured Party: Readycap Commercial, LLC
Recording Date: December 27, 2017
Recording No.: 2017-1503070, of Official Records

A change to the above financing statement was filed

Nature of Change: Assignment
Recording Date: October 2, 2019
Recording No.: 2019-1040658, of Official Records

A change to the above financing statement was filed

Nature of Change: Assignment
Recording Date: October 2, 2019
Recording No.: 2019-1040659, of Official Records

14. A financing statement as follows:

Debtor: CIP Jardinette Holding, LLC
Secured Party: Readycap Commercial, LLC
Recording Date: December 27, 2017
Recording No.: 2017-1503071, of Official Records

15. A Notice

Entitled: Notice of Temporary Vacant and Secured Rental Units
Executed by: Robert Clippinger and Los Angeles Housing and Community Investment Department
Recording Date: February 9, 2018
Recording No.: 2018-139652, of Official Records

Reference is hereby made to said document for full particulars.

EXCEPTIONS
(Continued)

16. A pending Court Action as disclosed by a recorded notice:

Plaintiff: S3 Builders, Inc., a California Corporation
Defendant: CIP Jardinette, LLC, a Delaware Limited Liability Company; CIP Jardinette Holding, LLC, a Delaware Limited Liability Company; and DOES 1 through 50, inclusive,
County: Los Angeles
Court: Superior Court of California
Case No.: BC702098
Nature of Action: Real Property Claim
Recorded: May 3, 2018
Recording No.: 2018-436699, of Official Records

17. A Deed:

From: RCMF 2018-FL2 Marathon Street, LLC
To: Neutra Jardinette on Marathon QOZ, LLC, a California Limited Liability Company
Dated: December 23, 2020
Recording Date: December 29, 2020
Recording No.: 2020-1743379, of Official Records

For insurance purposes, the Company is not willing to divest the interest of the following party(s):

Party(s): RCMF 2018-FL2 Marathon Street, LLC

In order to complete this report the Company requires the following:

Info Requested: Completed Statement of Information and an Affidavit for an Uninsured Deed, (Signed and Notarized by a Notary Public different from the one who notarized the deed shown above)

Party: RCMF 2018-FL2 Marathon Street, LLC

The Company reserves the right to make additional requirements or add additional items or exceptions after review of the requested documentation.

EXCEPTIONS
(Continued)

The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance from the entity named below:

Limited Liability Company: Neutra Jardinette on Marathon QOZ, LLC

- a) A copy of its operating agreement, if any, and any and all amendments, supplements and/or modifications thereto, certified by the appropriate manager or member
- b) If a domestic Limited Liability Company, a copy of its Articles of Organization and all amendments thereto with the appropriate filing stamps
- c) If the Limited Liability Company is member-managed, a full and complete current list of members certified by the appropriate manager or member
- d) A current dated certificate of good standing from the proper governmental authority of the state in which the entity was created
- e) If less than all members, or managers, as appropriate, will be executing the closing documents, furnish evidence of the authority of those signing.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation

18. A deed of trust to secure an indebtedness in the amount shown below,

Amount:	\$5,500,000.00
Dated:	December 16, 2020
Trustor/Grantor:	Neutra Jardinette on Marathon QOZ, LLC, a California Limited Liability Company
Trustee:	Novare National Settlement Service, a Division of Fidelity National Title Company
Beneficiary:	Partners Capital Solutions Reit I, LLC, a Delaware Limited Liability Company
Loan No.:	2020-01367
Recording Date:	December 29, 2020
<u>Recording No.:</u>	<u>2020-1743380, of Official Records</u>

Assignment of the beneficial interest under said deed of trust which names:

Assignee:	Artes Capital Reit I, LLC, a Delaware Limited Liability Company
Recording Date:	April 23, 2021
<u>Recording No.:</u>	<u>2021-644430, of Official Records</u>

**EXCEPTIONS
(Continued)**

Amendment to said deed of trust for a credit limit increase

Executed By: Artes Capital Reit I, LLC, a California Limited Liability Company and Neutra
Jardinette on Marathon QOZ, LLC, a California Limited Liability Company
New Principal Amount: \$6,500,000.00
Recording Date: June 3, 2021
Recording No.: [2021-882175, of Official Records](#)

Amendment to said deed of trust for a credit limit increase

Executed By: Artes Capital Reit I, LLC, a Delaware Limited Liability Company and Neutra
Jardinette on Marathon QOZ, LLC, a California Limited Liability Company
New Principal Amount: \$6,750,000.00
Recording Date: April 11, 2022
Recording No.: [2022-397829, of Official Records](#)

Amendment to said deed of trust for a credit limit increase

Executed By: Artes Capital Reit I, LLC, a Delaware Limited Liability Company and Neutra
Jardinette on Marathon QOZ, LLC, a California Limited Liability Company
New Principal Amount: \$7,750,000.00
Recording Date: May 19, 2022
Recording No.: [2022-542958, of Official Records](#)

19. A Notice

Entitled: Notice of Temporary Vacant and Secured Rental Units
Executed by: Cameron Hassid and Los Angeles Housing and Community Investment
Department Billing and Collection Unit
Recording Date: March 26, 2021
Recording No.: [2021-485950, of Official Records](#)

Reference is hereby made to said document for full particulars.

20. A Notice

Entitled: Notice of Temporary Vacant and Secured Rental Units
Executed by: Cameron Hassid and Los Angeles Housing Department Billing and Collections
Section
Recording Date: February 9, 2022
Recording No.: [2022-160716, of Official Records](#)

Reference is hereby made to said document for full particulars.

**EXCEPTIONS
(Continued)**

21. A claim of mechanic's lien or materialman's lien

Claimant: Renu, Inc.
Amount: \$541,619.60
Recording Date: May 25, 2022
Recording No.: 2022-560320, of Official Records

Any other claims for mechanics' or materialman's liens that may be recorded, by reason of a recent work of improvement that is disclosed by the lien shown in the last above numbered item.

22. A claim of mechanic's lien or materialman's lien

Claimant: Par Construction, Inc.
Amount: \$108,275.00
Recording Date: June 23, 2022
Recording No.: 2022-656829, of Official Records

Any other claims for mechanics' or materialman's liens that may be recorded, by reason of a recent work of improvement that is disclosed by the lien shown in the last above numbered item.

23. A lien for unsecured property taxes filed by the tax collector of the county shown, for the amount set forth, and any other amounts due.

County: Los Angeles
Fiscal Year: 2021-2022
Taxpayer: RCMF 2018 FL2 Marathon Street, LLC
County ID No.: 22010-00734
Amount: \$5,318.88
Recording Date: January 11, 2022
Recording No.: 2022-36652, of Official Records

24. Matters which may be disclosed by an inspection and/or by a correct ALTA/NSPS Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.
25. An inspection of said Land has been ordered; upon its completion the Company reserves the right to except additional items and/or make additional requirements.
26. Sufficiency or irregularities of the proceedings from the lender and/or trustee's conduction of the non-judicial foreclosure pursuant to which the Insured took title to the Property including, but not limited to, any action taken to set aside the foreclosure irrespective of the basis for any such action.
27. Any facts, rights, interests or claims, which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.

PLEASE REFER TO THE "INFORMATIONAL NOTES" AND "REQUIREMENTS" SECTIONS WHICH FOLLOW FOR INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION.

END OF EXCEPTIONS
