WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles
CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
http://ceo.lacounty.gov

"To Enrich Lives Through Effective And Caring Service""

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

April 22, 2014

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

APPROVAL OF APPROPRIATION ADJUSTMENT AND OPTION AGREEMENT FOR ACQUISITION OF REAL PROPERTY IN PUERCO CANYON IN THE SANTA MONICA MOUNTAINS (THIRD DISTRICT) (3 VOTES)

SUBJECT

Approval of appropriation adjustment in the amount of $750,000 for an option agreement to acquire the right to purchase approximately 703 acres of primarily unimproved real property in Puerco Canyon in the Santa Monica Mountains to assist the Mountains Recreation and Conservation Authority in acquiring the property for the preservation of open space, park, and recreational purposes, and authorize and direct the Chief Executive Officer to assign the County's option to the Mountains Recreation and Conservation Authority, and take all other necessary actions to complete the transaction.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the recommended actions are categorically exempt from the California Environmental Quality Act because the recommended actions involve the transfer of ownership of interest in land to preserve its natural conditions, including plant or animal habitats, for the reasons stated herein and the reasons reflected in the record of the project.

2. Find that the acquisition of approximately 703 acres of largely unimproved real property in Puerco Canyon in the Santa Monica Mountains for the preservation of open space and park purposes is necessary to meet the social needs of the population of the County.

3. Approve an appropriation adjustment transferring $750,000 one-time funding set aside in the Provisional Financing Uses Budget to the Project and Facility Development Budget Unit to fund the Option Price.

4. Approve and instruct the Chairman to execute the Option Agreement for Acquisition of Real Property with Oklahoma State Realty 1, LLC, Watercrest Property 1, LLC, Pan Pacific Realty 1, LLC, Western Real Estate Company 1, LLC, and Wind Realty 1, LLC.

5. Authorize and direct the Chief Executive Officer to enter into an agreement to assign the County's rights under the Option Agreement to the Mountains Recreation and Conservation Authority, to pay the Option Price of $750,000 only after necessary pre-conditions are met, and to take any other actions necessary to complete the transaction upon approval as to form by County Counsel.

6. Authorize the Auditor-Controller to issue a warrant as directed by the Chief Executive Office for the Option Price.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to facilitate the Mountains Recreation and Conservation Authority's (MRCA) acquisition of approximately 703 acres of largely unimproved real property in the Santa Monica Mountains to preserve the property for open space, park, and recreational purposes.

Oklahoma State Realty 1, LLC, Watercrest Property 1, LLC, Pan Pacific Realty 1, LLC, Western Real Estate Company 1, LLC, and Wind Realty 1, LLC (Sellers) individually own one or more parcels of real property collectively consisting of 24 separate legal lots located in the Puerco Canyon area of the Santa Monica Mountains (Property). The Property consists primarily of unimproved land and is located adjacent to public lands, including California State Parks, National Park Service, MRCA, and Pepperdine University. The Property constitutes one of the largest collections of contiguous privately-owned parcels of primarily unimproved land in the County of Los Angeles. The acquisition of the Property will ensure contiguous open space preservation in a critical portion of the Santa Monica Mountains that will provide valuable wildlife habitat, public recreational opportunities, and viewshed protection, among other public benefits.

Approval of the proposed Option Agreement (Attachment A) between the County and the Sellers will provide the County or its assignee the exclusive right to purchase the Property during the Option Term and any extension thereof for $12 million. The Option Term will provide sufficient time for the MRCA to secure the necessary approvals from multiple public agencies for funding for acquisition of the Property. The non-refundable Option Price of $750,000 will be credited towards the Purchase Price if the acquisition is consummated.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal of Operational Effectiveness (Goal 1) directs that we maximize the effectiveness of process, structure, and operations to support timely delivery of customer-oriented and efficient public services, and Fiscal Sustainability (Goal 2) directs that we strengthen and enhance the County’s capacity to sustain essential County services through proactive and prudent fiscal policies. The proposed Option Agreement will provide the necessary time required to secure funding for acquisition of the Property for open-space and park and recreational purposes, and will contribute to the purchase price.

FISCAL IMPACT/FINANCING

The Option to purchase fees will be funded with $750,000 one-time funding set aside in the Provisional Financing Uses Budget. Upon Board approval of the appropriation adjustment, funding will be available in the Project and Facility Development Budget Unit for the acquisition of the property.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Acquisition of the Property will ensure contiguous open space preservation in a critical portion of the Santa Monica Mountains that will provide valuable wildlife habitat, public recreational opportunities, and viewshed protection, among other public benefits.

The proposed Option Agreement will give the County an exclusive, assignable option to purchase the Property for $12 million on or before the expiration of the Option Term or any extension thereof. The Option Agreement sets the expiration of the Initial Option Term at June 30, 2014, with the right to a thirty day extension if all necessary public agency approvals for the acquisition are received by June 30, 2014.

The Option Agreement also provides that the Option Price be paid no later than May 13, 2014. MRCA must fulfill necessary pre-conditions to obtaining approval for the funding of the acquisition before the County is required to pay the Option Price. If MRCA does not meet the pre-conditions by May 13, 2014, the County will not pay the Option Price and the Option will terminate.

The Option Agreement is assignable to any state or local public agency. The recommended action directs Chief Executive Office (CEO) to enter into an assignment agreement with the MRCA consistent with the terms of the Option Agreement.

The Option Agreement and assignment to MRCA is authorized by Government Code section 26227, upon the Board finding that the acquisition of the Property is necessary to meet the social needs of the population of the County.

County Counsel has approved the Option Agreement as to form.

ENVIRONMENTAL DOCUMENTATION

Approval of the Option Agreement and the potential future exercise of the Option are categorically exempt from the California Environmental Quality Act (CEQA) according to Section 15325 of the State CEQA Guidelines because they involve the transfer of ownership of interest in land to preserve the existing natural conditions, including plant or animal habitats.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will have no impact on current services.

CONCLUSION

It is requested that the Executive Office, Board of Supervisors, return two executed originals of the Option Agreement and two adopted, stamped Board letters to the CEO, Real Estate Division, 222 South Hill Street, 3rd Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:RLR
CMM:ls

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller

PINK

BA FORM 03/13

BOARD OF SUPERVISORS OFFICIAL COPY

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S. NO. 063

DEPARTMENT OF CHIEF EXECUTIVE OFFICE

April 22, 2014

AUDITOR-CONTROLLER:
THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2013-14

3 - VOTES

SOURCES		USES	
PROVISIONAL FINANCING USES - VARIOUS A01-CB-2000-13749-13760 Services and Supplies DECREASE APPROPRIATION	$750,000	PROJECT & FACILITY DEVELOPMENT A01-CF-5500-10190 Other Charges INCREASE APPROPRIATION	$ 750,000

SOURCES TOTAL: $ 750,000

USES TOTAL: $ 750,000

JUSTIFICATION

Reflects transfer of $750K from Provisional Financing Uses Budget to Project and Facility Development Budget to fund the option agreement to the Mountains Recreation and Conservation Authority for the acquisition of approximately 703 acres of unimproved real property in Puerco Canyon in the Santa Monica Mountains for the preservation of open Space and park.

AUTHORIZED SIGNATURE Sabra White, Manager, CEO

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

REFERRED TO THE CHIEF EXECUTIVE OFFICER FOR ---

☐ ACTION

☑ RECOMMENDATION

AUDITOR-CONTROLLER BY

B.A. NO. 185 April 17 20 14

☑ APPROVED AS REQUESTED

☐ APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER BY

April 17 20 14

OPTION AGREEMENT FOR ACQUISITION OF REAL PROPERTY

This Option Agreement ("Agreement") is made and entered into this ____ day of _____, 2014, by and between the COUNTY OF LOS ANGELES, a body corporate and politic (the "Optionee"), and Oklahoma State Realty 1, LLC, Watercrest Property 1, LLC, Pan Pacific Realty 1, LLC, Western Real Estate Company 1, LLC, and Wind Realty 1, LLC (collectively "Optionors").

RECITALS:

1. Each Optionor individually owns one or more parcels of real property collectively consisting of 24 separate legal lots and comprising approximately 703 acres of real property located in the Puerco Canyon area of the Santa Monica Mountains, County of Los Angeles, State of California, more particularly described as Assessor Parcel Nos. 4457-004-056 through -072, 4457-005-012, -015, -017, -027, -028 and 4458-031-001 & -002 and legally described in Exhibit "A", attached hereto and incorporated herein by this reference (the "Property");

2. The Property consists primarily of unimproved land and is located adjacent to public lands including, California State Parks, National Park Service, Mountains Recreation and Conservation Authority ("MRCA"), and Pepperdine University;

3. The Property constitutes one of the largest collections of contiguous privately-owned parcels of primarily unimproved land in the County of Los Angeles;

4. Optionee has informed Optionors that acquisition of the Property will ensure contiguous open space preservation in a critical portion of the Santa Monica Mountains that will provide valuable wildlife habitat, public recreational opportunities, and viewshed protection, among other public benefits;

5. The Optionee desires to acquire, or have its authorized assignee acquire, the Property from Optionors for open-space and park and recreational purposes;

6. Optionee requires sufficient time for the necessary public funding to be secured and to secure approvals for the acquisition from multiple public agencies;

7. The Optionors are willing to provide the Optionee with an exclusive, assignable option to acquire the Property pursuant to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties hereto agree as follows:

1. Option Agreement.

1.1 Grant Option. Optionors grant to Optionee the exclusive, assignable option to acquire the Property on the terms and conditions of this Agreement, for the period set forth herein, and any extension thereof, as permitted by this Agreement (the "Option"). Within ten (10) days of the payment of the Option Price in accordance with Section 1.3, the parties shall execute and the Optionee shall record the Memorandum of Option attached hereto as Exhibit "B". Within ten (10) days of the termination or expiration of the Option pursuant to paragraph 1.7, below, the parties shall execute and the Optionee or Optionors shall record a Notice of Termination of Option.

1.2 Option Term. This Option shall be exercisable by Optionee during an initial term commencing on the date of this Option and, subject to termination pursuant to paragraph 1.3, below, expiring at 5:00 p.m., Pacific Standard Time (PST), on June 30, 2014 ("Initial Option Term"), unless extended as provided for herein. The Optionee shall have the right to extend the Initial Option Term by up to thirty (30) days ("Extended Option Term"), upon the Optionors receiving the following from Optionee no later than the expiration of the Initial Option Term: (a) Optionee's written notice to the Optionors of the Optionee's desire for an Extended Option Term; and (b) written confirmation that approval from all of the relevant public agencies in furtherance of the acquisition has been received. Written confirmation of the public agency approvals will be provided to Optionors as soon as practical after Optionee is informed of each approval, but in no event later than Optionee's written notice to the Optionors of the Optionee's desire for an Extended Option Term.

1.3 Option Price. As consideration for the Option, including the Initial Option Term and any Extended Option Term, the Option Price is Seven Hundred Fifty Thousand Dollars ($750,000.00), payable from Optionee to the Optionors or their designee(s) no later than May 13, 2014. If the Option Price is not paid to Optionors or their designees by 5:00 p.m. PST on May 13, 2014, this Option shall immediately terminate without any prior notice by Optionee or Optionors, all rights of Optionee in the Property shall cease, and neither party shall have any obligation to the other pursuant to this Agreement. The Option Price shall not be refundable, but shall be applied and credited toward the Purchase Price, as defined in paragraph 1.5, below. If Optionee fails to exercise the Option before the expiration, pursuant to paragraph 1.7, below, of the Initial Option Term or any Extended Option Term, the Option Price shall be retained by the Optionors.

1.4 Execution of Purchase Agreement: Concurrently with Optionors' receipt of the Option Price, Optionors shall execute a Purchase and Sale Agreement with Optionee or Optionee's Authorized Assignee in substantially the form of Exhibit C.

1.5 Purchase Price. During the Initial Option Term and any Extended Option Term, the "Purchase Price" for the Property shall be Twelve Million Dollars ($12,000,000.00).

1.6 Manner of Exercise of Option. Provided Optionee is not in default hereunder, Optionee or Optionee's Authorized Assignee may exercise the Option to acquire the Property during the Initial Option Term or any Extended Option Term by (i) depositing the Purchase Price, less the previously paid Option Price, in the escrow for the purchase of the Property within the time specified in the Purchase and Sale Agreement and (ii) fully performing all buyer obligations pursuant to the terms of the Purchase and Sale Agreement. In no event shall Optionee or Optionee's Authorized Assignee be entitled to acquire the Property if the buyer obligations set forth in the Purchase and Sale Agreement have not been performed in accordance with the terms of the Purchase and Sale Agreement.

1.7 Failure to Exercise Option. In the event Optionee does not exercise the Option during the Initial Option Term and the Initial Option Term is not extended, as provided for in paragraph 1.2, above, or if extended, the Optionee does not exercise the Option during any Extended Option Term, the Option shall expire without any prior notice by Optionee or Optionors, and all rights of Optionee in the Property shall cease.

1.8 Authorized Assignee. This Agreement and Option shall be assignable by Optionee without the prior written consent of Optionors, to any other State or local public agency, provided that such assignee agrees in writing to assume all of the Optionee's obligations and covenants under this Agreement and Optionors are provided with an executed copy of such written agreement. Optionee shall retain all rights under this Option in the event that an authorized assignee is unable to complete the transaction prior to the end of the Initial Option Term or any Extended Option Term.

2. Condition of Property.

2.1 "As Is" Purchase. The Optionee acknowledges that the Property is being optioned "as is" solely in reliance on Optionee's own investigation of the property and that no representation or warranties of any kind whatsoever, express or implied, have been made by the Optionors with respect to the Property or its physical condition, including but not limited to the condition of the soils and groundwater. Optionee has been given the full opportunity to

inspect the Property, and the improvements thereon prior to execution of this Agreement, and will be given the opportunity to re-inspect the Property and improvements prior to close of escrow.

2.2 Use Restrictions. Optionee acknowledges that it is aware of all zoning regulations, other governmental requirements, site and physical conditions, and all other matters affecting the use and condition of the Property, and agrees to accept the Property in that condition.

2.3 Legal Descriptions. Optionee acknowledges that the legal descriptions in Exhibit "A" describing the Property shall be subject to confirmation by the title company before the close of escrow.

3. Optionors' Conduct Prior to Close of Escrow. During the Initial Option Term and any Extended Option Term, Optionors shall comply with the following terms for the Property:

3.1 No Liens Against the Property. Optionors shall pay for all labor and work performed and all material furnished at Optionors' request or on Optionors' behalf, and there shall be no claim for which a mechanic's, materialman's, or similar lien can be claimed by any person or firm against the Property as a result of any act of Optionors.

3.2 No Waste. Optionors shall not affirmatively take any actions constituting waste of the Property, and shall not excavate, mine, or otherwise materially alter the Property.

3.3 No Tenancies. Optionors shall not enter into any lease, occupancy, tenancy, or license agreement affecting the Property after the close of escrow, without Optionee's prior written consent.

3.4 No Obligations or Liabilities Affecting the Property. Optionors shall not incur any obligations or liabilities or enter into any transactions that will affect the Property after the close of escrow of any sale to the Optionee, without the prior written consent of Optionee.

3.5 No Encumbrances or Severances. Optionors shall not encumber the Property in any manner or sever from the Property any air, water, mineral, oil, gas or other rights of any kind, without Optionee's prior written consent.

3.6 Marketing of Property. During the Initial Option Term and any Extended Option Term, Optionors may solicit back-up offers from third parties, but shall not accept any offers from third parties for the purchase of the Property until expiration of the Initial Option Term and any Extended Option Term pursuant to paragraph 1.7.

4. Notices. All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered or sent by registered or certified mail, postage prepaid, return receipt requested or by Express Mail or Federal Express to the following address:

To Optionee: County of Los Angeles, Chief Executive Office
Real Estate Division, Property Management Section
222 South Hill Street, 3rd Floor
Los Angeles, California 90012
Attention: Chris Montana

With a Copy to: County of Los Angeles, Office of County Counsel
Room 648 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012
Attention: Thomas J. Faughnan
Senior Assistant County Counsel

To Optionors: Oklahoma State Realty 1, LLC
Watercrest Property 1, LLC
Pan Pacific Realty 1, LLC
Western Real Estate Company 1, LLC
Wind Realty 1, LLC
c/o Cox, Castle & Nicholson LLP
2049 Century Park East, Suite 2800
Los Angeles, CA 90067
Attention: Stanley W. Lamport

Notice shall be deemed, for all purposes, to have been given on the date of receipt. Notice of change of address shall be given by written notice in the manner detailed in this paragraph.

5. Representations and Warranties of the Parties. In consideration for entering into this Agreement and as an inducement to the transaction contemplated herein, each of the parties hereto makes the following representations and warranties, each of which is material and is being relied upon by the other and the truth and accuracy of which shall constitute a condition precedent to each parties' obligations hereunder. Each of the following representations and warranties shall be deemed to have been remade as of the close of escrow.

5.1 Power. Each party has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated hereby.

5.2 Requisite Action. All requisite action has been taken by each party in connection with entering into this Agreement and the instruments referenced herein and, by the close of escrow, all such necessary action will have been taken to authorize the consummation of the transactions contemplated by this Agreement. By the close of escrow, no additional consent of any person or entity, judicial or administrative body, governmental authority or other party shall be required for each party to consummate the transactions contemplated by this Agreement.

5.3 Individual Authority. The individuals on behalf of each party executing this Agreement and the instruments referenced herein, have the legal power, right and actual authority to bind their respective party to the terms and conditions hereof and thereof.

5.4 Validity. This Agreement and all documents required hereby to be executed by each party are and shall be valid, legally binding obligations of and enforceable against each party in accordance with their terms, subject only to applicable bankruptcy, insolvency, reorganization, moratorium laws or similar laws or equitable principles affecting or limiting the rights of contracting parties generally.

6. General Provisions.

6.1 Delegation of Authority. The Optionee hereby delegates to its Chief Administrative Officer or his designee, the authority to issue any and all approvals required by this Agreement and to execute any and all instruments necessary to consummate this transaction.

6.2 Entire Agreement. This Agreement contains the entire agreement between the parties hereto and no addition or modification of any term or provision shall be effective unless set forth in writing, signed by both Optionors and Optionee.

6.3 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same Agreement.

6.4 California Law. This Agreement has been made and entered into in the State of California, and shall be construed in accordance with the laws thereof.

6.5 Waivers. No waiver by either party of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by either party of the same or any other provision.

6.6 Captions. The section and paragraph numbers and captions appearing in this Agreement are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections or paragraphs of this Agreement nor in any way affect this Agreement.

6.7 Interpretation. Unless the context of this Agreement clearly requires otherwise: (i) the plural and singular numbers shall be deemed to include the other; (ii) the masculine, feminine and neuter genders shall be deemed to include the others;(iii) "or" is not exclusive; and (iv) "includes" and "including" are not limiting.

6.8 Binding Effect. The provisions of this Agreement shall be binding upon the parties hereto and their respective successors-in-interest.

6.9 No Presumption Re: Drafter. The parties acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between the parties and their attorneys, and this Agreement reflects their mutual agreement regarding the same. Because of the nature of such negotiations and discussions, it would be inappropriate to deem any party to be the drafter of this Agreement, and therefore, no presumption for or against validity or as to any interpretation hereof, based upon the identity of the drafter shall be applicable in interpreting or enforcing this Agreement.

6.10 Assistance of Counsel. Each party hereto either had the assistance of counsel or had counsel available to it, in the negotiation for, and the execution of, this Agreement, and all related documents.

6.11 Brokers. Each party will defend, indemnify, and hold the other party free and harmless from any claim, loss, or liability made or imposed by any other party claiming a commission or fee in connection with this transaction and arising out of that party's own conduct.

6.12 Relationship. Optionee and Optionors enter into this Agreement on the basis that (i) Optionors are separate and distinct entities, (ii) each parcel is owned by only one of the Optionors and (iii) there is no partnership or common ownership of land among the Optionors. Optionee and Optionors enter into this Agreement collectively to avoid having five separate agreements with possibly conflicting or inconsistent terms, provisions, covenants and/or conditions. This Agreement shall not be construed as evidence of either a partnership or a joint venture between the Optionors or common ownership of the Property. Nothing contained in this Agreement shall be deemed or construed by the parties or by any third person to create a relationship of principal and agent or partnership or a joint venture between Optionee and Optionors.

6.13 Time of the Essence. Time is strictly of the essence with respect to each and every term, condition, obligation and provision of this Agreement.

IN WITNESS WHEREOF, Optionors have executed this Agreement or caused it to be duly executed and the Optionee by order of its Board of Supervisors, has caused this Agreement to be executed on its behalf by the Chairman of said Board and attested by the Clerk the day, month, and year first above written.

Optionors:

OKLAHOMA STATE REALTY 1, LLC

_____
By:
Title:

WATERCREST PROPERTY 1, LLC

_____
By:
Title:

PAN PACIFIC REALTY 1, LLC

_____
By:
Title:

WESTERN REAL ESTATE COMPANY 1, LLC

_____
By:
Title:

WIND REALTY 1, LLC

_____
By:
Title

Optionee:

ATTEST:

SACHI A. HAMAI
Executive Officer of
The Board of Supervisors

By:_____
Deputy

COUNTY OF LOS ANGELES

By:_____
Chairman, Board of Supervisors

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

By: _____
Senior Assistant County Counsel

EXHIBIT LIST

Exhibit "A"	Legal Description of Property
Exhibit "B"	Memorandum of Option
Exhibit "C"	Form Purchase and Sale Agreement

EXHIBIT A
LEGAL DESCRIPTIONS

Western Real Estate Company 1, LLC

All that certain real property situated in the County of Los Angeles, State of California, described as follows:

Parcel 1; 4457-004-060:

The Southeast Quarter of the Northwest Quarter of Section 25, Township 1 South, Range 18 West, San Bernardino Base and Meridian, in the County of Los Angeles, State of California, according to the Official Plat of said land approved by the Surveyor General on June 14, 1898.

Parcel 2; 4457-004-064:

The Northwest Quarter of the Southwest Quarter of Section 25, Township 1 South, Range 18 West, San Bernardino Base and Meridian, in the County of Los Angeles, State of California, according to the Official Plat of said land approved by the Surveyor General on June 14, 1898

.

Except therefrom the Northerly 1.20 acres thereof.

Parcel 4; 4457-004-068:

Lot 4 in Section 36, Township 1 South, Range 18 West, San Bernardino Base and Meridian, in the County of Los Angeles, State of California, according to the Official Plat of said land approved by the Surveyor General on June 14, 1898.

Parcel 5; 4457-004-070:

The Easterly 6 acres of Lot 3 in Section 36, Township 1 South, Range 18 West, San Bernardino Base and Meridian, in the County of Los Angeles, State of California, according to the Official Plat of said land approved by the Surveyor General on June 14, 1898.

Parcel 6; 4457-005-012:

The Northeast Quarter of the Southeast Quarter of Section 23, Township 1 South, Range 18 West, San Bernardino Base and Meridian, in the County of Los Angeles, State of California, according to the Official Plat of said land approved by the Surveyor General on June 14, 1898.

Parcel 7; 4457-005-027:

The Southwest Quarter of the Southeast Quarter of Section 24, Township 1 South, Range 18 West, San Bernardino Base and Meridian, in the County of Los Angeles, State of California, according to the Official Plat of said land approved by the Surveyor General on June 14, 1898.

Parcel D; 4457-004-072:

The Northwest Quarter of the Southeast Quarter of Section 25, Township 1 South, Range 18 West, San Bernardino Base and Meridian, in the County of Los Angeles, State of California, according to the Official Plat of said land approved by the Surveyor General on June 14, 1898.

EXHIBIT A
LEGAL DESCRIPTIONS

Except therefrom the Northerly 1.22 Acres.

Also Except the Easterly 50 acres of the North half of the Southeast Quarter of said Section 25, Township 1 South, Range 18 West, San Bernardino Base and Meridian, in the County of Los Angeles, State of California, the Westerly line of said 50 Acres being parallel with the Easterly line of said Section 25.

Said property being described in a Certificate of Compliance, Recorded October 3, 2008 as Instrument No. 20081779851 of Official Records of said County.

EXHIBIT A
LEGAL DESCRIPTIONS

Watercrest Property 1, LLC

All that certain real property situated in the County of Los Angeles, State of California, described as follows:

Parcel A; 4457-004-057:

The Southwest Quarter of the Northeast Quarter of Section 25, Township 1 South, Range 18 West, San Bernardino Base and Meridian, in the County of Los Angeles, State of California, according to the Official Plat of said land approved by the Surveyor General on June 14, 1898.

Said property being described in a Certificate of Compliance, Recorded July 21, 2008 as Instrument No. 20081297011 of Official Records of said County.

Parcel B; 4457-004-063:

The Northerly 1.20 Acres of the Northwest Quarter of the Southwest Quarter of Section 25, Township 1 South, Range 18 West, San Bernardino Base and Meridian, in the County of Los Angeles, State of California, according to the Official Plat of said land approved by the Surveyor General on June 14, 1898.

Said property being described in a Certificate of Compliance, Recorded July 21, 2008 as Instrument No. 20081297022 of Official Records of said County.

Parcel C; 4457-004-067:

The Southwest Quarter of the Southwest Quarter of Section 25, Township 1 South, Range 18 West, San Bernardino Base and Meridian, in the County of Los Angeles, State of California, according to the Official Plat of said land approved by the Surveyor General on June 14, 1898.

Said property being described in a Certificate of Compliance, Recorded July 21, 2008 as Instrument No. 20081297014 of Official Records of said County.

Parcel E; 4457-005-015:

The North half of the Southwest Quarter of Section 24, Township 1 South, Range 18 West, San Bernardino Base and Meridian, in the County of Los Angeles, State of California, according to the Official Plat of said land.

Said property being described in a Certificate of Compliance, Recorded December 21, 2001 as Instrument No. 01-2451868 of Official Records of said County.

Parcel 3; 4457-004-071:

The Northerly 1.22 acres of the Northwest Quarter of the Southeast Quarter of Section 25, Township 1 South, Range 18 West, San Bernardino Base and Meridian, in the County of Los Angeles, State of California, according to the Official Plat of said land approved by the Surveyor General on June 14, 1898.

Except therefrom 1.22 acres lying within the 10 acres of said Northwest Quarter of the Southeast Quarter of Section 25

EXHIBIT A
LEGAL DESCRIPTIONS

Pan Pacific Realty 1, LLC

All that certain real property situated in the County of Los Angeles, State of California, described as follows:

Parcel 1; 4457-004-059:

The Southwest Quarter of the Northwest Quarter of Section 25, Township 1 South, Range 18 West, San Bernardino Base and Meridian, in the County of Los Angeles, State of California, according to the Official Plat of said land approved by the Surveyor General on June 14, 1898.

Parcel 2: 4457-004-061:

The Southwest Quarter of the Northeast Quarter of Section 25, Township 1 South, Range 18 West, San Bernardino Base and Meridian, in the County of Los Angeles, State of California, according to the Official Plat of said land approved by the Surveyor General on June 14, 1898.

Parcel 3; 4457-004-065:

The Northeast Quarter of the Southwest Quarter of Section 25, Township 1 South, Range 18 West, San Bernardino Base and Meridian, in the County of Los Angeles, State of California, according to the Official Plat of said land approved by the Surveyor General on June 14, 1898.

Except therefrom the Northerly 1.20 acres thereof.

Parcel 4; 4457-004-069:

Lot 3 in Section 36, Township 1 South, Range 18 West, San Bernardino Base and Meridian, in the County of Los Angeles, State of California, according to the Official Plat of said land approved by the Surveyor General on June 14, 1898.

Except therefrom the Easterly 6 acres thereof.

Parcel 5; 4457-005-017:

The Southeast Quarter of the Southwest Quarter of Section 24, Township 1 South, Range 18 West, San Bernardino Base and Meridian, in the County of Los Angeles, State of California, according to the Official Plat of said land approved by the Surveyor General on June 14, 1898.

Parcel 6; 4457-005-028:

The Northwest Quarter of the Southeast Quarter of Section 24, Township 1 South, Range 18 West, San Bernardino Base and Meridian, in the County of Los Angeles, State of California, according to the Official Plat of said land approved by the Surveyor General on June 14, 1898.

EXHIBIT A
LEGAL DESCRIPTIONS

Oklahoma State Realty 1, LLC

All that certain real property situated in the County of Los Angeles, State of California, described as follows:

Parcel A; 4457-004-058:

The Northwest Quarter of the Northwest Quarter of Section 25, Township 1 South, Range 18 West, San Bernardino Base and Meridian, in the County of Los Angeles, State of California, according to the Official Plat of said land approved by the Surveyor General on June 14, 1898.

Said property being described in a certificate of compliance, recorded July 21, 2008 as Instrument No. 20081297015 of Official Records of said County.

Parcel B; 4457-004-056:

The Northwest Quarter of the Northwest Quarter of Section 25, Township 1 South, Range 18 West, San Bernardino Base and Meridian, in the County of Los Angeles, State of California, according to the Official Plat of said land approved by the Surveyor General on June 14, 1898.

Said property being described in a certificate of compliance, recorded July 21, 2008 as Instrument No. 20081297013 of Official Records of said County.

Parcel C; 4457-004-062:

The Northerly 1.20 acres of the Northeast Quarter of the Southwest Quarter of Section 25, Township 1 South, Range 18 West, San Bernardino Base and Meridian, in the County of Los Angeles, State of California, according to the Official Plat of said land approved by the Surveyor General on June 14, 1898.

Said property being described in a certificate of compliance, recorded July 21, 2008 as Instrument No. 20081297021 of Official Records of said County.

Parcel D; 4457-004-066:

The Southeast Quarter of the Southwest Quarter of Section 25, Township 1 South, Range 18 West, San Bernardino Base and Meridian, in the County of Los Angeles, State of California, according to the Official Plat of said land approved by the surveyor general on June 14, 1898.

Said property being described in a certificate of compliance, recorded July 21, 2008 as Instrument No. 20081297020 of Official Records of said County.

Parcel E; 4458-031-001

Parcel 1:

That portion of the Rancho Topanga Malibu Sequit, in the County of Los Angeles, State of California, as confirmed to Matthew Keller by Patent recorded in Book 1 Page 407 of patents, in the Office of the County recorder of said County, described as follows:

EXHIBIT A
LEGAL DESCRIPTIONS

Beginning at the Southerly terminus of that certain course described as having a bearing and length of North 6°47'15" West 564.72 feet, more or less, in the Easterly boundary of the land described in the Deed to Stephen T. Philibosian and wife, recorded on April 15, 1947 as Instrument No. 1224 in Book 24388 Page 376, Official Records, in the Office of the County recorder of said County, said last mentioned course for the purpose of this described has a bearing of North 6°42'08" West; thence South 89°52'00" West 1008.07 feet to a point in the Easterly boundary of Puerco Canyon Road as shown on County Surveyor's Map No. 8839, said point being on a curve in said last mentioned Easterly boundary concave Westerly having a radius of 80.00 feet, a radial line of said curve to said last mentioned point bears South 82°24'16" East; thence along said radial line North 82°24'16" West 30.00 feet to the center line of said Puerco Canyon Road; thence in a Generally Northerly direction following along said center line to its intersection with the Northerly line of said Rancho Topanga Malibu Sequit; thence along said Northerly line North 85°50'00" East 122.14 feet, more or less, to the second intersection of said center line with said Northerly line said last intersection being the true point of beginning of this description; thence Southeasterly, Easterly, Northerly and Northwesterly following along said center line to the Third intersection of said center line with said Northerly line; thence Westerly along said Northerly line to the true point of beginning.

Said property being described in a Certificate of Compliance, recorded June 8, 2009, as Instrument No. 20090851451, of Official Records, of said County.

Except therefrom all minerals oil, petroleum, asphaltum, gas, coal and other hydrocarbon substances in, on within and under said land and every part thereof, but without surface right of entry, as reserved by Marblehead Land Company, in deed recorded April 15, 1947, in Book 24388, Page 376, of Official Records.

Parcel 2:

A Non-Exclusive easement for ingress, Egress, and the placement of a Private Roadway and utilities in, on, over, and across a strip of land 60.00 feet wide over a portion of Government Lots 3 and 4 of Fractional Section 36, Township 1 South, Range 18 West, San Bernardino Base Meridian in the County of Los Angeles, State of California, lying 30.00 feet on each side of the following described centerline:

Beginning at the Southwest corner of the Government Lot 4 of said Section, Township and Range; thence along the Southerly line of said Lot 4, North 85°50'27" East 1,137.83 feet to the true point of beginning of said centerline; thence, leaving said Southerly line, North 38°15'07" West 137.32 feet to the beginning of a tangent curve concaved to the Southwest having a radius of 164.00 feet; thence Northwesterly along said curve 98.33 feet; thence tangent to said curve, North 72°36'17" West 49.07 feet to the beginning of a tangent curve concaved to the Southeast having a radius of 53.36 feet; thence Northwesterly, Northerly and Northeasterly along said curve, 185.00 feet; thence tangent to said curve, South 53°58'24" East 23.10 feet to the beginning of a tangent curve concaved to the Southwest having a radius of 400.00 feet; thence Southeasterly along said curve, 86.80 feet; thence tangent to said curve, South 41°32'23" East, 143.95 feet to the beginning of a tangent curve concaved to the Northeast having a radius of 400.00 feet; thence Southeasterly along said curve, 70.02 feet; thence tangent to said curve,
South 51°34'07" East, 57.73 feet to an intersection and terminus with the South line of said Government Lot 3. The side lines of said easement to be prolonged or shorten to terminate in the West, in the South line of said Lot 4 and in the East, in the South line of said Lot 3.

Except therefrom any portion of Government Lot 3 included within the above described property line.

Together with such additional portions of the above-referenced land that are contiguous to the above-described strip of land, solely for the purpose of grading, construction, maintenance, repair, and replacement of the above described private roadway and utilities, including, construction, maintenance, repair, and replacement of necessary slopes, as conveyed by deed recorded April 14, 2009 as Instrument No. 20090533944 of Official Records.

Parcel 3:

A non-exclusive easement for ingress, egress, and the placement of a private roadway and utilities in, on, over, and across a strip of land 60.00 feet wide over a portion of Government Lots 3 and 4 of fractional Section 36, Township 1 South, Range 18 West, San Bernardino Base Meridian in the County of Los Angeles, State of California, lying 30.00 feet on East side of the following described centerline:

Beginning at the Southwest corner of the Government Lot 4 of said Section, Township and Range; thence along the Southerly line of said Lot 4, North 85°50'27" East 1,137.83 feet to the True Point of Beginning of said centerline; thence, leaving said Southerly line, North 38°15'07" West 137.32 feet to the beginning of a tangent curve concave to the Southwest having a radius of 164.00 feet; thence Northwesterly along said curve 98.33 feet; thence tangent to said curve, North 72°36'17" West 49.07 feet to the beginning of a tangent curve concaved to the Southeast having a radius of 53.36 feet; thence Northwesterly, Northerly and Northeasterly along said curve, 185.00 feet; thence tangent to said curve, South 53°58'24" East 23.10 feet to the beginning of a tangent curve concaved to the Southwest having a radius of 400.00 feet; thence Southeasterly along said curve, 86.80 feet; thence tangent to said curve, South 41°32'23" East, 143.95 feet to the beginning of a tangent curve concaved to the Northeast having a radius of 400.00 feet; thence Southeasterly along said curve, 70.02 feet; thence tangent to said curve, South 51°34'07" East, 57.73 feet to an intersection and terminus with the South line of said Government Lot 3. The side lines of said Easement to be prolonged or shorten to terminate in the West, in the South line of said Lot 4 and in the East, in the South line of said Lot 3.

Except therefrom any portion of Government Lot 4 included within the above described property line.

Together with such additional portions of the above-referenced land that are contiguous to the above-described strip of land, solely for the purposes of grading, construction, maintenance, repair, and replacement of the above described private roadway and utilities, including the grading, construction, maintenance, repair, and replacement of necessary slopes, as conveyed by Deed recorded April 14, 2009 as Instrument No. 20090533943 of Official Records.

EXHIBIT A
LEGAL DESCRIPTIONS

Wind Realty 1, LLC

All that certain real property situated in the County of Los Angeles, State of California, described as follows:

Parcel 1; 4458-031-002:

That portion of the Rancho Topanga Malibu Sequit, in the City of Malibu, County of Los Angeles, State of California, as confirmed to Matthew Keller by Patent recorded in Book 1, Page 407, of Patents, in the Office of the County Recorder of said County, described as follows:

Beginning at the Southerly terminus of that certain course described as having a bearing and length of North 6° 47' 15" West 564.72 feet, more or less, in the Easterly boundary of the land described in the deed to Stephen Y. Philibosian and wife, recorded on April 15, 1947, as Instrument No. 1224, in Book 24388, Page 376, Official Records, in the Office of the County Recorder of said County, said last mentioned course for the purpose of this description has a bearing of North 6° 42' 08" West; thence South 89° 52' 00" West 1008.07 feet to a point in the Easterly boundary of Puerco Canyon Road as shown on County Surveyor's Map No. 8839, said point being on a curve in said last mentioned Easterly boundary concave Westerly having a radius of 80.00 feet, a radial line of said curve to said last mentioned point bears South 82° 24' 16" East; thence along said radial line North 82° 24' 16" West 30.00 feet to the center line of said Puerco Canyon Road; thence in a generally Northerly direction following along said center line to its intersection with the Northerly line of said Rancho Topanga Malibu Sequit; thence along said Northerly line North 85° 50' 00" East 122.14 feet, more or less, to the second intersection of said center line with said Northerly line; thence Southeasterly, Easterly, Northerly and Northwesterly following along said center line to the third intersection of said center line with said Northerly line; thence along said Northerly line North 85° 50' 00" East 1195.55 feet, more or less, to the most Northerly corner of the land described in said deed to Philibosian; thence along the Easterly boundary of the land described in said last mentioned deed South 6° 42' 08" East 564.72 feet to said point of beginning.

Excepting therefrom all minerals, oil, petroleum, asphaltum, gas, coal and other hydrocarbon substances in, on within and under said land and every part thereof, but without surface right of entry, as reserved by Marblehead Land Company, in deed recorded April 15, 1947 in Book 24388 Page 376, Official Records.

Parcel 2:

Easement A:

A non-exclusive easement for ingress, egress, and the placement of a private roadway and utilities in, on, over, and across a strip of land 60.00 feet wide over a portion of Government Lots 3 and 4 of Fractional Section 36, Township 1 South, Range 18 West, San Bernardino Base Meridian, in the City of Malibu, County of Los Angeles, State of California, lying 30.00 feet on each side of the following described centerline:

Beginning at the Southwest corner of the Government Lot 4 of said Section, Township and Range; thence along the Southerly line of said Lot 4, North 85°50'27" East 1,137.83 feet to the True Point of Beginning of said centerline; thence, leaving said Southerly line, North 38°15'07" West 137.32 feet to the beginning of a tangent curve concaved to the

Southwest having a radius of 164.00 feet; thence Northwesterly along said curve 98.33 feet; thence tangent to said curve, North 72°36'17" West 49.07 feet to the beginning of a tangent curve concaved to the Southeast having a radius of 53.36 feet; thence Northwesterly, Northerly and Northeasterly along said curve, 185.00 feet; thence tangent to said curve, South 53°58'24" East 23.10 feet to the beginning of a tangent curve concaved to the Southwest having a radius of 400.00 feet; thence Southeasterly along said curve, 86.80 feet; thence tangent to said curve, South 41°32'23" East, 143.95 feet to the beginning of a tangent curve concaved to the Northeast having a radius of 400.00 feet; thence Southeasterly along said curve, 70.02 feet; thence tangent to said curve,
South 51°34'07" East, 57.73 feet to an intersection and terminus with the South line of said Government Lot 3.

The side lines of said easement to be prolonged or shorten to terminate in the West, in the South line of said Lot 4 and in the East, in the South line of said Lot 3.

Together with such additional portions of the above-referenced Government Lot 4 of Fractional Section 36 that are contiguous to the above-described strip of land, solely for the purpose of grading, construction, maintenance, repair, and replacement of the above-described private roadway and utilities, including the grading, construction, maintenance, repair, and replacement of necessary slopes.

Easement B:

A non-exclusive easement for ingress, egress, and the placement of a private roadway and utilities in, on, over, and across a strip of land 60 feet wide over a portion of the land conveyed to Walter R. Sherr Trustee of the Archer Trust in the City of Malibu, County of Los Angeles, State of California recorded in Official Records of said County as Instrument No. 99 1314148, lying 30.00 feet on each side of the following described
centerline:

Beginning at the Southwest corner of the Government Lot 4 of Fractional Section 36, Township 1 South, Range 18 West, San Bernardino Base Meridian in said County; thence along the Southerly line of Lot 4 and the Southerly line of Government Lot 3 of said fractional Section, North 85°50'27" East, 1,443.23 feet to the True Point of Beginning of said centerline; thence, leaving said Southerly line, South 14°38'26" East 3.94 feet to the beginning of a tangent curve concaved to the West having a radius of 327.56 feet; thence Southerly along said curve 24.01 feet; thence tangent to said curve, South 10°26'30" East 12.44 feet to an intersection and terminus in the Northeasterly line of Puerto Canyon
Road as described in the Document recorded in Book 9526, Page 229 of Official Records of said County.

The side line of said easement to be prolonged or shortened to terminate in the North in the South line of said Lot 3 and in the South in the Northeasterly line of said Puerto Canyon Road.

EXHIBIT B
MEMORANDUM OF OPTION

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:
County of Los Angeles
Chief Executive Office
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012
Attention: Property Management
Section

THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO GOVERNMENT CODE § 27383.

Space Above This Line For Recorder's Use

THIS DOCUMENT IS EXEMPT FROM DOCUMENTARY TRANSFER TAX PURSUANT TO REVENUE & TAXATION CODE § 11922

APN: _____

MEMORANDUM OF OPTION

This Memorandum of Option is made on _____ between and Oklahoma State Realty 1, LLC, Watercrest Property 1, LLC, Pan Pacific Realty 1, LLC, Western Real Estate Company 1, LLC, and Wind Realty 1, LLC (collectively "Optionors") and COUNTY OF LOS ANGELES, a body corporate and politic ("Optionee"), who agree as follows:

1. Option Agreement. Optionor and Optionee entered into the Option Agreement for Acquisition of Real Property, effective as of _____, 2014 ("Option Agreement"), which is memorialized by this Memorandum of Option.

2. Option Property. Under the Option Agreement, Optionors grant to Optionee the option to acquire the real property described in the attached Exhibit A ("Option Property").

3. Term. The initial term of this Option shall be from the effective date of the Option until 5:00 p.m., Pacific Standard Time, on June 30, 2014 ("Initial Option Term").

4. Extensions. Optionee has the right to extend the term of the Option for up to thirty (30) days subject to the terms and conditions set forth in the Option Agreement ("Extended Option Term").

5. Manner of Exercise of Option. Provided Optionee is not in default under the Option Agreement, Optionee or Optionee's authorized assignee may exercise the Option to acquire the Option Property during the Initial Option Term or any Extended Option Term by (i) depositing the Purchase Price (as defined in the Option Agreement), less the previously paid Option Price (as defined in the Option Agreement), in the escrow for the purchase of the Option Property within

the time specified in the Purchase and Sale Agreement and (ii) fully performing all buyer obligations pursuant to the terms of the Purchase and Sale Agreement.

6. Termination or Expiration. The Option shall expire without any prior notice by Optionee or Optionors, and all rights of Optionee in the Property shall cease, if the Optionee fails to exercise the Option in compliance with the Option Agreement during the Initial Option Term or any Extended Option Term.

7. Recordation. This Memorandum of Option is prepared for the purpose of recordation and shall not alter or affect in any way the rights and obligations of Optionors and Optionee under the Option Agreement. In the event of any inconsistency between this Memorandum of Option and the Option Agreement, the terms of the Option Agreement shall control.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Option as of the date first set forth above.

OPTIONEE:

COUNTY OF LOS ANGELES
A body corporate and politic

By: _____
Chairman, Board of Supervisors

OPTIONORS:

OKLAHOMA STATE REALTY 1, LLC

_____
By:
Title:

WESTERN REAL ESTATE COMPANY 1, LLC

_____
By:
Title:

WATERCREST PROPERTY 1, LLC

_____
By:
Title:

WIND REALTY 1, LLC

_____
By:
Title

PAN PACIFIC REALTY 1, LLC

_____
By:
Title:

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On January 6, 1987, the Board of Supervisors for the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts adopted a resolution pursuant to Section 25103 of the Government Code which authorized the use of facsimile signatures of the Chairperson of the Board on all papers, documents, or instruments requiring said signature.

The undersigned hereby certifies that on this _____ day of _____, 2014, the facsimile signature of _____, Chairman of the Board of Supervisors of the County of Los Angeles was affixed hereto as the official execution of this document. The undersigned further certifies that on this date, a copy of the document was delivered to the Chairperson of the Board of Supervisors of the County of Los Angeles.

In witness whereof, I have also hereunto set my hand and affixed my official seal the day and year above written.

SACHI A. HAMAI, Executive Officer
Board of Supervisors, County of Los Angeles

By _____
Deputy

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

By_____
Deputy

EXHIBIT A TO MEMORANDUM OF OPTION
LEGAL DESCRIPTIONS

(See Option Agreement, Exhibit A Legal Descriptions)

EXHIBIT C
FORM OF PURCHASE AND SALE AGREEMENT

AGREEMENT FOR PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS

by and between

Oklahoma State Realty 1, LLC
Watercrest Property 1, LLC
Pan Pacific Realty 1, LLC
Western Real Estate Company 1, LLC
Wind Realty 1, LLC,
California Limited Liability Companies
(SELLERS)

and

_____
(BUYER)

This Agreement is made as of the _____ day of_____, 2014 ("Effective Date") by and between BUYER and SELLERS, with reference to the following facts:

A. Each SELLER individually owns one or more parcels of real property located in unincorporated Los Angeles County, more particularly described as Assessor Parcel Nos. 4457-004-056 through -072, 4457-005-012, 015, 017, 027, 028 and 4458-031-001 & 002 (the "PROPERTY"), which collectively consist of 24 parcels comprising approximately _____ acres.

B. BUYER desires to purchase PROPERTY from SELLERS and SELLERS desire to sell PROPERTY to BUYER.

Therefore, incorporating the above recitals, BUYER and SELLERS hereby agree to enter into this Agreement for Purchase and Sale and Joint Escrow Instructions ("Agreement") under the following terms and conditions:

SECTION 1: BASIC AGREEMENT

1.0 For good and valuable consideration receipt of which is hereby acknowledged, BUYER agrees to purchase PROPERTY from SELLERS and SELLERS agree to sell PROPERTY to BUYER, all on the terms and conditions of this Agreement.

SECTION 2: PURCHASE PRICE, STATEMENT OF JUST COMPENSATION, AND CHARITABLE DONATION

2.0 BUYER agrees to pay to SELLERS, as the purchase price for the PROPERTY, the sum of twelve million dollars ($12,000,000) (hereinafter the "Purchase Price"), less any Option Price paid by BUYER or BUYER's assignor.

2.1 [reserved.]

2.2 BUYER acknowledges that it is an organization described by Internal Revenue Code section 170(c)(1) and that it will use the Property for "exclusively public purposes" within the meaning of such section. Notwithstanding the second paragraph of Section 2.1, SELLERS believe that the fair market value of the Property exceeds the Purchase Price (such excess, the "Donation Amount"). In agreeing to transfer fee title to the Property to the BUYER, SELLERS and the BUYER agree and acknowledge that SELLERS (i) intend to make a gift of the Donation Amount to BUYER, and (ii) claim a charitable contribution in respect of such gift (or each SELLER's share of such gift) to the BUYER.

Consistent with the foregoing, BUYER agrees to acknowledge acquisition of fee title to the Property by completing and executing the "Donee Acknowledgement" to an IRS Form 8283 provided by each SELLER. In order to permit BUYER to complete each such Form, each SELLER shall provide BUYER with an IRS Form 8283 reasonably in advance of the closing date referenced in Section 3.1, and BUYER shall return the Form with the completed Donee Acknowledgement no later than the closing date. In connection with its obligation to complete each Form, the BUYER acknowledges the following: (i) the BUYER does not intend to use any portion of the Property for an "unrelated use" within the meaning of Internal Revenue Code section 170(e)(1)(B), and (ii) if the BUYER sells, exchanges or otherwise disposes of the Property within three years of the date of its contribution, and in connection therewith files IRS Form 8282 "Donee Information Return" (or successor form) or otherwise notifies the Internal Revenue Service or the California Franchise Tax Board of such disposition, the BUYER will immediately notify each SELLER in writing and provide each SELLER with a copy of any such filing or notice.

In addition to the foregoing provisions of this Section 2.2, the BUYER agrees to provide each SELLER with a "contemporaneous written acknowledgement" as required by Internal Revenue Code section 170(f)(8). The BUYER's completed contemporaneous written acknowledgement shall be provided on the form attached hereto as Exhibit "A", and shall be delivered to each SELLER no later than the closing date referenced in Section 3.1.

BUYER makes no representations or warranties regarding the ultimate valuation of the Property or the success of any claim of charitable donation. SELLERS hereby acknowledge that they have had the opportunity to seek professional advice from a tax attorney and/or accountant, as appropriate, regarding any such charitable donation and does not and shall not rely on any statement, warranty, or representation from BUYER or BUYER's attorneys, employees, agents, or affiliates in entering into this Agreement.

2.3 BUYER will cause to be deposited, at least five days prior to the close of escrow, by wire transfer or certified check, the Purchase Price, less any Option Price paid by BUYER or BUYER's assignor, with:

First American Title Company

_____

_____

Escrow Officer:
Phone:

SECTION 3: THE ESCROW

3.0 Escrow. This Agreement shall also constitute escrow instructions to Escrow Holder, which is hereby appointed and designated escrow agent. Escrow Holder shall be the party responsible for closing this transaction and filing the required form 1099B (or other required form) with the U.S. Internal Revenue Service. Escrow shall be opened by delivery to the Escrow Holder of fully executed counterparts to this Agreement from BUYER and SELLERS (the "Opening of Escrow"). BUYER and SELLERS agree to execute such additional escrow instructions as Escrow Holder shall reasonably request; provided that in the event of conflict, this Agreement shall in all events control.

3.1 Closing Date. The close of escrow shall take place on or before June 30, 2014. Notwithstanding the foregoing, the close of escrow shall be extended by up to thirty (30) days, upon the SELLERS receiving the following from BUYER no later than 5:00 p.m., Pacific Standard Time, on June 30, 2014: (a) BUYER's written notice to the SELLERS of the BUYER's desire for an extension of the close of escrow; and (b) written confirmation that approval from all the relevant public agencies in furtherance of the acquisition has been received. Written confirmation of the public agency approvals will be provided to SELLERS as soon as practical after BUYER is informed of each approval, but in no event later than BUYER's written notice to the SELLERS of the BUYER's desire for an extension of the close of escrow. Parties to this Agreement may agree to further extensions of the closing date upon mutual agreement to be communicated to the Escrow Holder.

SECTION 4: CONDITIONS

4.0 Conditions Precedent to Closing for Exclusive Benefit of SELLERS. SELLERS' obligation to perform under this Agreement and the close of the escrow shall be subject to and contingent upon satisfaction of each of the following conditions precedent prior to the close of escrow:

(a) Within ten (10) days of the date of this Agreement, BUYER shall provide SELLERS with written proof from the Funding Sources defined in Section 4.1(d) of availability of funds sufficient to pay the Purchase Price, less any Option Price paid by BUYER or BUYER's assignor, at the close of escrow.

(b) The timely deposit by BUYER with Escrow Holder of all documents and funds required to be deposited by BUYER under this Agreement.

(b) Performance by BUYER of all obligations, covenants and agreements on BUYER's part to be performed under this Agreement within the time provided in this Agreement for such performance.

4.1 Conditions Precedent to Closing for Exclusive Benefit of BUYER. BUYER's obligation to close the escrow shall be subject to and contingent upon satisfaction of each of the following conditions precedent prior to the close of escrow:

(a) The timely deposit by SELLERS of the documents required to be deposited by SELLERS to close escrow and convey title under this Agreement.

(b) Performance by SELLERS of all obligations, covenants and agreements on SELLERS' part to be performed under this Agreement to close escrow and convey title within the time provided in this Agreement.

(c) BUYER's approval of an updated preliminary title report for the PROPERTY. Said preliminary title report, as supplemented by any supplemental title report and supplemental information shall be the "Title Report." SELLERS shall have until Close of Escrow to remove any disapproved exceptions or to notify BUYER of the inability or unwillingness to remove such exceptions prior to the Close of Escrow. If SELLERS are unable or unwilling to remove any disapproved exceptions prior to Close of Escrow, then BUYER, in its sole and absolute discretion may either terminate this Agreement or accept such previously disapproved exception. BUYER shall notify SELLERS of its decision by written notice. The parties acknowledge that all monetary liens and encumbrances including real property taxes are disapproved exceptions.

(d) Availability of funds for Purchase Price, less any Option Price paid by BUYER or BUYER's assignor from approved grants to BUYER from the following public agencies and other public funds ("Funding Sources"):

_____

BUYER shall expeditiously seek approval of the foregoing grants by the respective public agencies, including having the foregoing agencies approve the grants as soon as possible.

(e) Approval of the acquisition by BUYER's Governing Board. BUYER shall expeditiously agendize the acquisition by the Governing Board at the earliest date possible; and

(f) Inspection and approval of physical condition of PROPERTY by BUYER.

4.2 Except with respect to approval of the grants by the governing boards of the Funding Sources and any supplemental preliminary title report , BUYER shall confirm the satisfaction of the above conditions on or before thirty (30) days from the date of this Agreement. All such conditions not disapproved on or before that date are deemed approved.

SECTION 5: CLOSE OF ESCROW

5.0 When all of the conditions precedent to the close of the escrow have been satisfied and Escrow Holder shall have received the items required to be deposited into Escrow and is in a position and stands ready to have the Title Company issue an CLTA Owner's Policy for the PROPERTY, then Escrow Holder shall date all undated documents as of the Closing Date, pay all fees and expenses incident to this escrow as set forth in this Agreement, in the following order:

(a) Cause to be recorded Grant Deeds to the Property in favor of BUYER in Los Angeles County.

(b) Cause to be recorded the reconveyances or releases of all deeds of trust and liens, if any, which encumber the Property.

(c) Pay all real property taxes.

(d) Wire or deliver to SELLERS, pursuant to SELLERS' instructions, funds in the amount of the Purchase Price, less any Option Price paid by BUYER or BUYER's assignor, adjusted by payment of the costs and fees to be paid by SELLERS, and any other adjustments set forth herein.

SECTION 6: CLOSING COSTS

6.0 To Be Paid by SELLERS. SELLERS shall pay one half of the escrow fees and costs, all recording fees and documentary transfer tax, if any, and the cost of a CLTA title policy. Transfer to the BUYER is exempt from payment of documentary transfer tax and recording fees.

6.1 To Be Paid by BUYER. BUYER shall pay one half of the escrow fees and costs.

6.2 Prorations. Except as otherwise indicated, rentals, revenues, and other income, if any, from the Property, and real property taxes and operating expenses, if any, affecting the Property shall be prorated as of 11:59 p.m. (Pacific Standard Time) on the day immediately preceding the Closing Date in accordance with the following provisions.

All non-delinquent real estate taxes and current installments of assessments affecting the Property which are payable by any SELLER shall be prorated as of the Closing Date based on the actual current tax bill. All delinquent taxes and assessments, if any, affecting the Property which are payable by SELLERS shall be paid at the Closing Date from funds accruing to SELLERS. Any refunds of real estate taxes and assessments attributable to the period prior to the Closing Date shall be paid to SELLERS upon receipt, whether such receipt occurs before or after the Closing Date.

6.3 Legal Fees. Each party shall bear its respective legal fees and expenses incurred in negotiating, documenting and closing this transaction.

SECTION 7: REPRESENTATIONS

7.0 Representations and Warranties of BUYER. BUYER represents and warrants for the benefit of SELLERS to the current actual knowledge of BUYER, that the following facts are true and correct as of the execution of this Agreement or shall be true and correct as of the Close of Escrow:

(a) BUYER has the authority to enter into this Agreement. The execution and delivery of this Agreement has been duly authorized and approved by all requisite action, and the consummation of the transactions contemplated hereby will be duly authorized and approved by all requisite action of BUYER.

7.1 Representations and Warranties of SELLERS. SELLERS represent and warrant for the benefit of BUYER to the current actual knowledge of SELLERS (without a duty to investigate), that the following facts are true and correct as of the execution of this Agreement or shall be true and correct as of the Close of Escrow:

(a) SELLERS have the authority to enter into this Agreement. The execution and delivery of this Agreement has been duly authorized and approved by all requisite action, and the consummation of the transactions

contemplated hereby will be duly authorized and approved by all requisite action of SELLERS.

(b) The Property is not currently in material violation of any applicable laws pertaining the existence or presence of hazardous materials therein. As used in this Agreement, the term "Hazardous Materials" shall mean asbestos, lead, petroleum or any material or substance which is defined as "hazardous waste," "extremely hazardous waste" or "restricted hazardous waste" or "hazardous substance" under any state or federal law.

(c) SELLERS own the PROPERTY free and clear of any unrecorded claims, rights or contracts adverse to title.

(d) Notwithstanding any provision of this Agreement to the contrary, Sellers shall not have any liability with respect to any of the representations and warranties set forth in this Agreement if, prior to the Closing, Buyer receives notice of information (from whatever source, including, without limitation, as a result of Buyer's due diligence tests, investigations and inspections of the Property) that contradicts any of foregoing representations and warranties, or renders any of such representations and warranties untrue or incorrect, and Buyer with such knowledge nevertheless consummates the transaction contemplated by this Agreement.

SECTION 8: NAMING RIGHTS

8.0 The Grant Deeds recorded at the Close of Escrow shall include a restriction and covenant that the Property shall be known by any reasonable name selected by SELLERS or their designee and that BUYER shall install and maintain at least two permanent and prominent signs with the name in a conspicuous location at the entrance to the Property and one other location on the Property.

SECTION 9: MISCELLANEOUS PROVISIONS

9.0 Broker's Commission. If any party to this transaction is represented by any real estate agent(s) and/or Broker(s), then that party is solely responsible for the payment of any commission owed, and shall indemnify the other against any liability therefor. BUYER is not represented by an agent or broker and shall not be responsible for any commission or fee.

9.1 As Is Condition. BUYER hereby acknowledges that BUYER has had an opportunity to inspect the PROPERTY and is purchasing the, PROPERTY "AS IS, WHERE IS, WITH ALL FAULTS" in its existing environmental, physical and

historical condition and with all faults and problems of any kind and/or nature whatsoever that may exist, whether the same are of a legal nature, a physical nature, or otherwise. BUYER is relying on its own investigations of the PROPERTY. BUYER acknowledges that no representation, inducements, promises, agreements, assurances, oral or written, concerning the PROPERTY or any aspect of any law or ordinance have been made by SELLERS (or by SELLERS' agents) or relied upon by BUYER.

9.2 Release. Buyer, on behalf of itself and its successors and assigns, hereby waives, releases, acquits and forever discharges SELLERS and their respective agents, heirs, successor, representatives, employees, assigns and attorneys of and from any and all claims, actions, causes of actions, demands, rights, damages, costs, expenses or compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, which BUYER or any of BUYER's successors, or assigns now has or which may arise in the future on account of or in any way related to or in connection with any past, present or future aspect, feature, characteristic, circumstance or condition arising out of or in connection with the PROPERTY and BUYER specifically waives the provisions of California Civil Code Section 1542 which states: "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."

9.3 Calculation of Time. The time in which any act required or permitted by this Agreement is to be performed shall be determined by excluding the day upon which performance would otherwise be required or permitted is a Saturday, Sunday or holiday, then the time for performance shall be extended to the next day which is not a Saturday, Sunday or holiday. The term "holiday" shall mean all and only those State holidays specified in Sections 6700 and 7701 of the California Government Code.

9.4 Relationship. BUYER and SELLERS enter into this Agreement on the basis that (i) SELLERS are separate and distinct entities, (ii) each parcel is owned by only one of the SELLERS and (iii) there is no partnership or common ownership of land among the SELLERS. BUYER and SELLERS enter into this Agreement collectively to avoid having five separate agreements with possibly conflicting or inconsistent terms, provisions, covenants and/or conditions. This Agreement shall not be construed as evidence of either a partnership or a joint venture between the SELLERS or common ownership of the Property. Nothing contained in this Agreement shall be deemed or construed by the parties or by any third person to create a relationship of principal and agent or partnership or a joint venture between BUYER and SELLERS.

9.5 Escrow Cancellation Charges. If the Escrow should fail to close by reason of SELLERS' default hereunder, SELLERS shall pay all escrow cancellation charges; if the Escrow should fail to close by reason of BUYER's default hereunder, BUYER shall pay all escrow cancellation charges.

9.6 Time of the Essence. Time is strictly of the essence with respect to each and every term, condition, obligation and provision of this Agreement.

9.7 Entire Agreement. This Agreement shall constitute the entire understanding and agreement of the parties hereto and all prior agreements, understandings, representations or negotiations are hereby superseded, terminated and canceled in their entirety, and are of no further force or effect.

9.8 Amendments. This Agreement may not be modified or amended except by a writing signed by the party against whom enforcement is sought.

9.9 Applicable Law. This Agreement shall in all respects be governed by the laws of the State of California applicable to agreements executed and to be wholly performed within this State.

9.10 Severability. Nothing contained herein shall be construed as to require the commission of any act contrary to law, and wherever there is any conflict between any provision contained herein and any present or future statute, law, ordinance or regulation as to which the parties have no legal right to contract, the latter shall prevail, but the affected provisions of this Agreement shall be limited only to the extent necessary to bring them within the requirements of such law.

9.11 Attorneys' Fees. Should any party hereto commence any action or proceeding to enforce any provision of this Agreement or for damages by reason of an alleged breach of any provision of this Agreement or for declaratory relief or specific performance, the prevailing party shall be entitled to recover from the losing party or parties such amount as the court may adjudge to be reasonable attorneys' fees for services rendered to the prevailing party in such action or proceeding.

9.12 Separate Counterparts. This Agreement may be executed in separate counterparts, each of which when so executed shall be deemed to be an original. Such counterparts shall, together, constitute and be one and the same instrument.

9.13 Notices. Any notice to be given hereunder to either party or the Escrow Holder shall be deemed given or delivered upon personal delivery to the recipient or on the next business day after deposit with Federal Express (or another recognized delivery service.) or two days after deposit in the United States mail, registered or certified, return receipt requested, postage prepaid and addressed as follows:

If to SELLERS:

Oklahoma State Realty 1, LLC
Watercrest Property 1, LLC
Pan Pacific Realty 1, LLC
Western Real Estate Company 1, LLC
Wind Realty 1, LLC

c/o Cox, Castle & Nicholson LLP
2049 Century Park East, 28th Floor
Los Angeles, CA 90067-3284
Facsimile: (310) 284-2200
Attention: Stanley W. Lamport, Esq.

If to BUYER:

With a copy to:

Each party may, by notice to the others and to the Escrow Holder, designate different addresses which shall be substituted for the one specified above. Notice given in a manner other than specified above shall be deemed given only if in writing and only upon actual receipt by the addressee.

9.14 Captions, Number and Gender. The captions appearing at the commencement of the paragraphs, subparagraphs and sections hereof are descriptive only and for convenience in reference. Should there be any conflict between any such caption and the article, paragraph or subparagraphs at the head of which it appears, the article, paragraph or subparagraph and not the caption shall control and govern the construction of this Agreement. In this Agreement, the masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others whenever the context so requires.

9.15 Survival. All representations, warranties, covenants, agreements and indemnities made and all obligations to be performed under the provisions hereof to the extent not performed at or before the closing dates shall survive the close of escrow and shall not be deemed to merge with the Grant Deed(s) or upon delivery or acceptance thereof.

9.16 Further Action. Each party hereto shall duly execute and deliver such papers, documents and instruments and perform all acts reasonably necessary or proper to carry out and effectuate the terms of this Agreement.

9.17 Waiver. No waiver of any term, provision or condition of this Agreement shall be effective or enforceable unless in writing.

9.18 Assignment. BUYER and SELLERS agree to not assign or transfer their interest in the PROPERTY and/or this Agreement between the Effective Date and the close of escrow without the express written consent of the other party which consent may be withheld for any reason.

9.19 Facsimile Signatures. Facsimile signatures shall be treated as original signatures.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

BUYER:

_____
By:
Title:

SELLERS:

OKLAHOMA STATE REALTY 1, LLC

_____
By:
Title:

WATERCREST PROPERTY 1, LLC

_____
By:
Title:

PAN PACIFIC REALTY 1, LLC

_____
By:
Title:

WESTERN REAL ESTATE COMPANY 1, LLC

_____
By:
Title:

WIND REALTY 1, LLC

_____
By:
Title

EXHIBIT "A"

[CONTEMPORANEOUS WRITTEN ACKNOWLEDGEMENT FORM TO BE PROVIDED]