



SACHI A. HAMAI  
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  
HILDA L. SOLIS  
First District

MARK RIDLEY-THOMAS  
Second District

SHEILA KUEHL  
Third District

JANICE HAHN  
Fourth District

KATHRYN BARGER  
Fifth District

# ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

March 19, 2019

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

20 March 19, 2019

CELIA ZAVALA  
EXECUTIVE OFFICER

Dear Supervisors:

SET TO CONSUMMATE: April 16, 2019 @9:30 a.m.

**APPROVE AND ORDER PUBLICATION OF NOTICE OF INTENTION TO PURCHASE REAL  
PROPERTY AND ACCEPT TRANSFER OF TITLE TO REAL PROPERTY  
1190 AND 1198 DURFEE AVENUE, SOUTH EL MONTE  
ESTABLISH CAPITAL PROJECT NO. 70030  
APPROVE APPROPRIATION ADJUSTMENT  
(FIRST DISTRICT)  
(4 VOTES)**

### SUBJECT

Approval of the recommended actions will authorize publication of a Notice of Intention to Purchase real property located at 1190 and 1198 Durfee Avenue, South El Monte, California (Property) from the Jewish Community Foundation of the Jewish Federation – Council of Greater Los Angeles (a California non-profit corporation as to an undivided 48.5 percent interest); Zvi and Betty Ryzman (husband and wife as to an undivided 48.5 percent interest); and David and Theresa A. Loth (husband and wife as to an undivided 3 percent interest) (seller). The real property to be purchased, comprised of approximately 1.7 acres of land currently improved with two office buildings totaling 47,409 square feet of office space, a two-story parking structure, and a portion of a surface parking lot, will be used for County office purposes. This action will also establish Capital Project No. 70030, approve an appropriation adjustment, and authorize the Chief Executive Office (CEO), in conjunction with the Assessor's Office (Assessor) and the Department of Public Works (Public Works), to proceed with programming and design for the Property to ascertain what refurbishments may be necessary to make the Property suitable for the Assessor's current and future use.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed Project is exempt from the California Environmental Quality Act pursuant to California Environmental Quality Act Guidelines Section 15301 (Class 1 - Existing Facilities), California Environmental Quality Act Guidelines Section 15061(b)(3) (common sense exemption) and Appendix G of County's California Environmental Quality Act Reporting Procedures and Guidelines (Class 1(u) - any change in the method of conveyance of an existing facility). The proposed purchase of the Property contemplates the continued use of the Property as County department office space with some anticipated interior alterations, and involves negligible or no expansion of the Property's existing facilities and use. Additionally, none of the exceptions to the application of the exemptions apply.
2. Approve the Notice of Intention to Purchase the Property located at 1190 and 1198 Durfee Avenue in South El Monte, California, from the Jewish Community Foundation of the Jewish Federation – Council of Greater Los Angeles (a California non-profit corporation as to an undivided 48.5 percent interest); Zvi and Betty Ryzman (husband and wife as to an undivided 48.5 percent interest); and David and Theresa A. Loth (husband and wife as to an undivided 3 percent interest), for a purchase price not to exceed \$11,069,000, plus title, survey, escrow fees, totaling approximately \$15,000 (collectively, "title and escrow fees"), in addition to an independent consideration amount of \$100 for the purchase, for a not to exceed total amount of \$11,084,100.
3. Instruct the Executive Office of the Board of Supervisors to publish the Notice of Intention to Purchase, in accordance with Government Code Section 6063, which will state the date following the publishing period that the Board will meet to consummate the purchase.
4. Set a date for a Board meeting to receive comments and consummate the proposed acquisition following publication of the Notice of Intention to Purchase, in accordance with Government Code Section 6063.

**AT THE BOARD MEETING SET BY THE NOTICE OF INTENTION TO PURCHASE, FOLLOWING THE GOVERNMENT CODE SECTION 6063 PUBLISHING PERIOD, IT IS RECOMMENDED THAT THE BOARD:**

1. Order the purchase of the Property to be consummated, in accordance with Government Code Sections 25350 and 25353.
2. Instruct and authorize the Chief Executive Officer, and or her designee, to execute the Agreement of Purchase and Sale, approved as to form by County Counsel, to purchase the Property from the Jewish Community Foundation of the Jewish Federation – Council of Greater Los Angeles (a California non-profit corporation as to an undivided 48.5 percent interest); Zvi and Betty Ryzman (husband and wife as to an undivided 48.5 percent interest); and David and Theresa A. Loth (husband and wife as to an undivided 3 percent interest), for a purchase price not to exceed \$11,069,000, plus title and escrow fees of approximately \$15,000, in addition to an independent consideration amount of \$100 for the purchase, for a not to exceed total amount of \$11,084,100, and authorize the Chief Executive Officer, or her designee, to take all further actions necessary and appropriate to complete the transaction, including opening and management of escrow, any administrative adjustments to the transfer documents, and execution of all the requisite documentation for the completion of the transfer and related actions and acceptance of the deed conveying title to the Property to the County.

3. Establish the proposed South El Monte Assessor's Office Acquisition and Refurbishment Project, Capital Project No. 70030 (Project).
4. Approve an Appropriation Adjustment to transfer net County cost, as a loan, in the amount of \$12,084,100 from the Asset Development Implementation Fund to Capital Assets-Buildings and Improvements under Capital Project No. 70030 to fund the acquisition of the Property, not to exceed \$11,084,100 and up to \$1 million to initiate design and planning efforts.
5. Authorize the Auditor-Controller to issue a warrant to cover the purchase price of \$11,069,000 and any other required transactional costs or escrow fees or independent consideration, which are estimated not to exceed \$15,100 for a total approved warrant amount not to exceed \$11,084,100.
6. Instruct the Assessor's Office to place the Property under the complete ownership of the County, and remove the Property from the tax roll effective upon the transfer of title to the County.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

As part of the implementation of the County's Strategic Asset Management Plan, the CEO is seeking to reduce cost and optimize the use of the County's office space. As part of this effort, we are seeking opportunities to transition long term programs from leases into County-owned space.

On August 1, 2000, the County entered into a seven-year lease agreement (1190 Durfee Lease) with the Whittier Narrows Business Park (predecessor-in-interest to the Seller) to lease a two-story 36,861 sq. ft. office building and a two-story parking structure containing 130 parking spaces for seven years, with two five-year options to extend the lease. The County exercised its options to extend the 1190 Durfee Lease in 2007 and 2012 and is now desirous of acquiring said Property to continue the County's current use of the Property as the Assessor's East District Office. The County also has entered into a one-year lease for the adjacent 10,548 square foot office building, for use by the Assessor's Office, and wishes to acquire this adjacent property. Collectively, these properties comprise the Property. The purchase price reflects the fair market value for the Property, which has been established based on a County-commissioned appraisal report and compared to an appraisal report prepared by the sellers.

Upon acquisition, Public Works, in concert with the Assessor's Office, will proceed with a complete space programming analysis and design review for the Property, in order to ascertain and implement a space use and office design that will improve the Property's functionality, suitability, and cost-efficiency for the Assessor's Office's current and future use. Upon completion of design efforts, we will return to the Board to seek approval for the proposed refurbishments, budget, and any required environmental documentation.

The execution of the Agreement of Purchase and Sale (Agreement) by the CEO and approval of the recommendations will allow the County to open escrow, order and review all necessary title documents to ensure the County acquires free and clear title to the Property, issue warrants for the purchase price of \$11,069,000, plus title and escrow fees and independent consideration fee in the amount \$15,100, deposit said funds into escrow, fulfill the County's obligations associated with the acquisition and consummate the transfer of title of the Property to the County.

### **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan Goal 3 of “Realize Tomorrow’s Government Today” directs that our increasingly dynamic, and complex environment, challenges our collective abilities to respond to public needs and expectations. We want to be an innovative, flexible, effective, and transparent partner focused on advancing the common good. Upon acquisition of the Property by the County, the Assessor’s Office will be in a position to move some Assessor functions from the Hall of Administration to the East District Annex Office, thereby maximizing the effectiveness of their operations that will further support their continued timely delivery of customer-oriented and efficient public services, particularly in the area of assessing the public’s property values.

### **FISCAL IMPACT/FINANCING**

The proposed acquisition of the Property totaling \$11,069,000 plus approximately \$15,100 for title and escrow fees and independent consideration, will result in the elimination of the current monthly rental costs of \$83,120 that includes the monthly rental amount for 1190 Durfee Avenue of \$75,620 and the monthly rental amount for 1198 Durfee Avenue of \$7,500. Following the acquisition of the Property, the operating costs of the Property will be funded through the Assessor’s Office annual operating budget, as the proprietor department of this prospective County-owned asset.

The proposed acquisition and related design and planning efforts will be funded through a loan from Asset Development Implementation Fund (ADIF) which is managed by the Chief Executive Office (CEO). Approval of the Appropriation Adjustment (Attachment A) will transfer \$12,084,100 from ADIF into Capital Project No. 70030 to fund the acquisition of the Property and design efforts for the proposed South El Monte Assessor’s Office Refurbishment Project. Once the design efforts have been completed, we will return to the Board to seek approval for the proposed refurbishments and budget. The Assessor will commence repayment of the ADIF loan immediately upon the close of escrow for the purchase.

#### **Operating Budget Impact**

The net operating budget savings resulting from the elimination of monthly rental costs will be used by the Assessor to offset the annual operating costs of the facilities and to assist in the payment of the \$12,084,100 loan from ADIF. The CEO will enter into a Memorandum of Understanding with the Assessor to formalize the payment amount and amortization schedule of the loan.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

In order to accept the transfer of title, CEO authorized completion of a preliminary title report, which revealed no claims or encumbrances that would significantly affect or impair the Property’s title. Additionally, as required by Government Code Section 65402, notice of the proposed acquisition was submitted to the City of South El Monte (City) Planning Department. The City’s Planning Department has determined that the acquisition of the Property and its continued use as office buildings and a parking structure is in compliance with its General Plan. A Phase I Environmental Site Assessment was completed, and concluded that there is no evidence of recognized environmental conditions to address or mitigate. Additionally, property condition assessment reports were ordered and completed for the two buildings and the parking structure by a Public Works-commissioned consultant. All items in said reports were reviewed by CEO and the Assessor’s Office with any repair and/or maintenance items that posed a health or safety risk to the County being remedied by the sellers. CEO, with the assistance of Public Works, has satisfactorily completed its due diligence with respect to the proposed acquisition of the Property.

Section 25353 of the California Government Code, allows the Board to acquire real property for use of the County for buildings or for other public purposes. Pursuant to Government Code Sections 6063 and 25350, a Notice of Intention to Purchase will be published for the intended action to purchase real property, and a Board meeting will be scheduled following the three-week publishing period, to receive comments prior to consummating the proposed acquisition.

### **ENVIRONMENTAL DOCUMENTATION**

The proposed Project is exempt from CEQA. The proposed Project, which is to acquire the Property which is currently leased by the County from the Seller, and the proposed programming and design work to identify refurbishments needed to make the Property suitable for current and future County department office use, is within a class of projects that have been determined not to have a significant effect on the environment and which meet the criteria set forth in Section 15301 of the State CEQA Guidelines, Section 15061(b)(3) of the State CEQA Guidelines and Class 1(u) of Appendix G of the County's Environmental Document Reporting Procedures and Guidelines. In addition, the proposed Project will comply with all applicable regulations, and there are no cumulative impacts, unusual circumstances, damage to scenic highways, listing on hazardous waste site lists compiled pursuant to Government Code Section 65962.5, or indications that it may cause a substantial adverse change in the significance of a historical resource that would make the exemptions inapplicable.

Upon the Board's approval of the recommended actions, the department will file a Notice of Exemption with the County Clerk in accordance with Section 21152 of the California Public Resources Code.

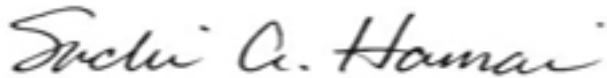
### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

There will be no impact on or disruption of County services.

**CONCLUSION**

It is requested that the Executive Office, Board of Supervisors, return the adopted, stamped copy of the Board letter to the Chief Executive Office, Real Estate Division, for further processing. Additionally, please forward one adopted, stamped copy of the Board letter to the Assessor's Office.

Respectfully submitted,

A handwritten signature in cursive script that reads "Sachi A. Hamai".

SACHI A. HAMAI  
Chief Executive Officer

SAH:DPH:DL  
JLC:KW:RH:gw

Enclosures

c: Executive Office, Board of Supervisors  
County Counsel  
Auditor-Controller  
Office of the Assessor  
Public Works



February 12, 2019

COUNTY OF LOS ANGELES

**REQUEST FOR APPROPRIATION ADJUSTMENT**

DEPARTMENT OF CHIEF EXECUTIVE OFFICER

**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 HER RECOMMENDATION OR ACTION.

**ADJUSTMENT REQUESTED AND REASONS THEREFORE****FY 2018-19****4 - VOTES****SOURCES**

ASSESSOR  
SOUTH EL MONTE ASSESSOR OFFICE  
A01-CP-96-9919-65059-70030  
OPERATING TRANSFERS IN - CAPITAL PROJECTS  
INCREASE REVENUE

**12,084,000****USES**

ASSESSOR  
SOUTH EL MONTE ASSESSOR OFFICE  
A01-CP-6006-65059-70030  
CAPITAL ASSETS - LAND  
INCREASE APPROPRIATION

**3,875,000**

ASSESSOR  
SOUTH EL MONTE ASSESSOR OFFICE  
A01-CP-6014-65059-70030  
CAPITAL ASSETS - B & I  
INCREASE APPROPRIATION

**8,209,000****SOURCES TOTAL****\$ 12,084,000****USES TOTAL****\$ 12,084,000****JUSTIFICATION**

The appropriation adjustment is necessary to fully fund the acquisition of the 1190 and 1198 Durfee Avenue property in the City of South El Monte, and design of the site to accommodate Department's operational need. The funding is coming from a loan from Asset Development Implementation Fund.

**ADOPTED**BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES**16****APR 16 2019**

AUTHORIZED SIGNATURE

JAMES YUN, MANAGER, CEO

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


CELIA ZAVALA  
EXECUTIVE OFFICERREFERRED TO THE CHIEF  
EXECUTIVE OFFICER FOR---☐ ACTION☒ RECOMMENDATION☒ APPROVED AS REQUESTED☐ APPROVED AS REVISED

AUDITOR-CONTROLLER

BY

CHIEF EXECUTIVE OFFICER

BY

B.A. NO. **097**

DATE

**Dec 20, 2018**

DATE

**12/20/18**

**NOTICE OF INTENTION**  
**TO PURCHASE REAL PROPERTY**

NOTICE IS HEREBY GIVEN that it is the intention of the Board of Supervisors of the County of Los Angeles, State of California to purchase approximately 1.7 acres of land improved with two office buildings totaling 47,409 square feet and a two story parking structure (the "Real Property") located at 1190 and 1198 Durfee Avenue, in the City of South El Monte, County of Los Angeles, State of California for the sum of Eleven Million Sixty Nine Thousand and NO/00 Dollars (\$11,069,000) from the Jewish Community Foundation of the Jewish Federation – Council of Greater Los Angeles, a California non-profit corporation as to an undivided 48.5% interest; Zvi and Betty Ryzman, husband and wife, as to an undivided 48.5% interest; and David and Theresa A. Loth, husband and wife as to an undivided 3% interest (the "Seller"). It is the intent of the County to use the property for County office purposes. The Real Property to be acquired is legally described in Exhibit "A" attached to this Notice and incorporated herein by this reference.

NOTICE IS HEREBY GIVEN that the purchase of the Real Property will be consummated by the Board of Supervisors of the County of Los Angeles, State of California, on April 16th, 2019, at 9:30 a.m. in the Hearing Room of the Board of Supervisors, Room 381, Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California 90012. No obligation will arise against the County and in favor of the Seller with respect to the purchase of the Real Property described herein until the Board of Supervisors approves the purchase on the named consummation date.

CELIA ZAVALA, Executive Officer  
Board of Supervisors, County of Los Angeles

By *Lachelle Smithman*  
Deputy

APPROVED AS TO FORM:

MARY C. WICKHAM  
County Counsel

By *Mary C. Wickham*  
Deputy





**EXHIBIT "A"**  
**PROPERTY LEGAL DESCRIPTION**

APN: 8119-008-173

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

**PARCEL A:**

PARCEL 1 OF PARCEL MAP NO. 72234, IN THE CITY OF SOUTH EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 380, PAGES 6 THROUGH 10, INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, HYDROCARBON, ASPHALT, MINERALS, MINERAL AND OTHER SUBSURFACE RIGHTS IN AND UNDER SAID LAND, BUT WITHOUT THE RIGHT OF ENTRY ON THE SURFACE OF ABOVE 500 FEET BELOW THE SURFACE AS GRANTED IN FAIX INC., A CORPORATION, BY DEED RECORDED MAY 19, 1969 AS INSTRUMENT NO. 2140, BOOK D4373, PAGE 948 OF OFFICIAL RECORDS.

**PARCEL B:**

A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS OVER THAT PORTION OF LOT 4 OF TRACT 2377, IN THE CITY OF SOUTH EL MONTE, AS PER MAP RECORDED IN BOOK 23, PAGES 107 AND 108 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE WESTERLY LINE OF PECK ROAD, 100.00 FEET WIDE, SAID WESTERLY LINE AT SAID POINT BEING THE ARC OF A CURVE CONCAVE EASTERLY HAVING A RADIUS OF 2050.00 FEET, SAID POINT BEING DISTANT SOUTHERLY 128.33 FEET, MEASURED ALONG THE ARC OF SAID CURVE, FROM THE SOUTHEASTERLY CORNER OF THE LAND DESCRIBED IN PARCEL 2 OF THE DEED TO THE STATE OF CALIFORNIA, RECORDED JUNE 12, 1964 AS INSTRUMENT NO. 1776, IN BOOK D2507, PAGE 391 OF OFFICIAL RECORDS, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 82° 49' 11" WEST; THENCE SOUTHERLY ALONG SAID WESTERLY LINE OF PECK ROAD, THROUGH A CENTRAL ANGLE OF 0° 30' 11" AN ARC DISTANCE OF 18.00 FEET; THENCE SOUTH 86° 39' 23" WEST 50.00 FEET; THENCE NORTH 66° 25' 36" EAST 51.92 FEET TO THE POINT OF BEGINNING.

**PARCEL C:**

A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS OVER THAT PORTION OF PARCEL 2 OF SAID PARCEL MAP, AS SHOWN AND DELINEATED AS PRIVATE DRIVE AND FIRE LANE ON THE MAP OF SAID PARCEL MAP.

EXCEPT THEREFROM ANY PORTION WITHIN PARCEL "A" DESCRIBED ABOVE.

**EXHIBIT "A"**  
**PROPERTY LEGAL DESCRIPTION**

APN(s): 8119-008-171

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

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PARCEL C:

A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS OVER THAT PORTION OF PARCEL 2 OF SAID PARCEL MAP, AS SHOWN AND DELINEATED AS PRIVATE DRIVE AND FIRE LANE ON THE MAP OF SAID PARCEL MAP.

EXCEPT THEREFROM ANY PORTION WITHIN PARCEL "A" DESCRIBED ABOVE.





8119-008-039

8119-008-03

8119-008-033

8119-008-041

8119-008-172

8119-008-173

South El Monte

District 1

8119-008-044

8119-008-043

8119-009-902

8119-008-801

1190 and 1198 Durfee Avenue, South El Monte  
Property proposed to be  
acquired by the  
County of Los Angeles

8119-009-908

Whittier Narrows

8119-009-904

Pelliss



## **AGREEMENT OF PURCHASE AND SALE**

THIS AGREEMENT OF PURCHASE AND SALE ("**Agreement**") is dated and effective as of August \_\_, 2018, (the "**Effective Date**") and is entered into by and between the **Jewish Community Foundation of the Jewish Federation-Council of Greater Los Angeles**, a California non-profit corporation ("**JCF**") as to an undivided Forty-Eight and one half percent (48.5%) interest; Zvi and Betty Ryzman, husband and wife, as to an undivided Forty-Eight and one half percent (48.5%) interest; and David and Theresa A. Loth, husband and wife, as to an undivided Three percent (3%) interest (collectively, "**Seller**"), and the **County of Los Angeles**, a body politic and corporate ("**Buyer**" or "**County**"). Each of Seller and Buyer are occasionally referred to herein as a "party" and collectively as the "parties."

### **RECITALS:**

A. Seller is the 100% owner of that certain real property consisting of approximately 1.7 acres of real property containing the improvements described below and located at 1190 Durfee Avenue and 1198 Durfee Avenue, South El Monte, California, 91733, as more particularly described in Exhibit "B" attached hereto and incorporated herein by this reference ("**Land**").

B. The portion of the Land located at 1190 Durfee Avenue is currently subject to a lease agreement between Buyer, as lessee, and Whittier Narrows Business Park, as lessor, entered into on August 1, 2000 ("**Buyer Lease**"), and having a term that expired on June 5, 2017. Buyer continues to occupy and use the leased premises located at 1190 Durfee Avenue on a month-to-month holdover basis.

C. Seller has informed Buyer that the portion of the Land located at 1198 Durfee Avenue was previously subject to a separate lease agreement between the Teamsters Local Union No. 986, as lessee ("**Teamsters**"), and Whittier Narrows Business Park, as lessor, entered into on March 6, 1998 ("**Teamsters Lease**"), and having a term that expired on February 28, 2017. As of the Effective Date, Teamsters has vacated 1198 Durfee Avenue property.

D. Buyer desires to purchase the Property (as hereinafter defined) from Seller and Seller desires to sell the Property to Buyer upon the terms and conditions hereinafter set forth.

All of the recitals set forth above are true and accurate and are incorporated herein by reference.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Buyer and Seller, the parties hereto, each intending to be legally bound, do hereby covenant and agree as follows:

1. **Sale and Purchase of Property.** Seller agrees to sell and convey to Buyer, and Buyer agrees to purchase from Seller, at the price and upon the terms, provisions and conditions set forth in this Agreement (collectively, the "**Property**"): (a) all right, title and interest of Seller in and to the Land, together with all improvements on the Land, including without limitation, the 1190 Durfee Avenue building and the 1198 Durfee Avenue building and the two-story parking structure (collectively, the "**Buildings**"), all easements, rights of way,

reservations, privileges, appurtenances, parking licenses and other estates pertaining or appurtenant to the Land and the Buildings (collectively with the Land and the Buildings, the "**Real Property**"), (b) all right, title and interest of Seller in and to (i) all warranties, guarantees, and indemnities from, by or against any contractor, subcontractor, manufacturer, laborer, or supplier of labor, materials, or other services then in existence, relating to the Real Property, (ii) all permits, licenses, authorizations, consents, entitlements, approvals, and certificates, relating to the Real Property, (iii) logos, designs, service marks, copyrights, trade names, and trademarks used in connection with the Real Property, (iv) plans and specifications, reports, contract rights, and any other intangible property used and necessary in connection with the Real Property, (v) all personal property, machinery, equipment, supplies, generators and batteries, any built-in vaults, any back-up power systems and infrastructure, data center equipment and infrastructure, all systems dealing with security, access, control, fire alarm, fire suppression, fire life safety, fencing and parking control, and fixtures located in, on, or under the Land and used in the operation of the Real Property (vi) all oil, gas, water, mineral and other subsurface rights of Seller, if any, in and to the Land, (vii) all strips and gores, all alleys adjoining the Land to the center line thereof, and (viii) any award payment in lieu of such award (subject to any rights of Teamsters under the Teamsters Lease) for any taking by condemnation or for any damage to the Land or the Buildings by reason of a change of grade of any street, road or avenue (collectively the "**Personal Property**").

2. **Purchase Price.**

(a) The purchase price for the Property shall be Eleven Million Sixty Nine Thousand and 00/100 Dollars (\$11,069,000) ("**Purchase Price**").

(b) The parties acknowledge and agree that the sum of One Hundred and 00/100 Dollars (\$100.00) of the Purchase Price shall be deemed to be independent consideration ("**Independent Consideration**") for Buyer's right to purchase the Property and for Seller's execution, delivery and performance of this Agreement. Seller shall, in all events, retain the Independent Consideration, but the Independent Consideration shall be applied as a credit against the Purchase Price at the Closing. Buyer and Seller hereby acknowledge and agree that the Independent Consideration constitutes adequate and sufficient consideration for Buyer's right to purchase the Property and Seller's execution, delivery and performance of this Agreement.

3. **Right of Entry.** Seller hereby also grants to Buyer, its agents, consultants and employees the right to enter upon the Property for the purpose of conducting engineering surveys, soil tests, entitlement processes, structural assessments, including, but not limited to those reports/studies required to satisfy compliance with CEQA and any other studies/reports and testing to determine the Property's suitability for the intended or contemplated use by Buyer and for any other reasonable purpose, provided that Buyer delivers reasonable advance written notice to Seller prior to its intended inspection(s). Buyer's physical inspection of and/or testing on the Property shall be conducted during normal business hours. No invasive testing or boring ("**Physical Testing**") shall be done without prior written notification to Seller and Seller's written permission of the same, which Seller may withhold in its sole and absolute discretion, provided nothing in the foregoing shall prevent Buyer from being able to conduct a Phase I Environmental Site Assessment or further testing required by any Phase I Environmental Site Assessment (subject to Seller's reasonable approval of the applicable Work Plan (as defined below)). In the event Buyer desires to conduct any such Physical Testing of the Property, Buyer shall submit to Seller for review and approval a work plan (the "**Work Plan**") describing any and all proposed Physical Testing work ("**Work**") to be conducted on the Property by Buyer prior to performing



any such Work. Seller, in its reasonable discretion, shall have the right to approve, disapprove or request modifications to the Work Plan within three (3) Business Days of its receipt thereof. Seller's failure to approve, disapprove or request modifications in the Work Plan within said three (3) Business Day period shall be deemed Seller's approval of the Work Plan. If Buyer and Seller are unable to agree upon the scope and content of the Work Plan, Buyer may terminate this Agreement and any and all monies deposited by Buyer into escrow including all interest earned thereon ("Buyer Funds") shall be delivered by Title Company to Buyer. Any material modification of, or deviation from, the approved Work Plan shall require Seller's prior written consent, not to be unreasonably withheld. Seller shall have the right to be present during any work or other inspections or investigations of the Property, but in the event that Seller is unavailable to be present, Buyer should not be prohibited from conducting its inspections and investigations at the Property. Promptly following completion of the Work, Buyer shall, at its sole cost and expense, restore, to the extent practicable, the Property to its condition as it existed immediately prior to Buyer's entry to the Property. Buyer and its agents and representatives shall not unreasonably disturb the tenants of the Property or interfere with their use of the Property pursuant to their respective leases.

(a) Buyer shall indemnify, defend and hold the Seller and Seller's officers, directors, shareholders, participants, partners, affiliates, employees, representatives, attorneys, invitees, agents and contractors free and harmless from and against any and all claims, damages, liens, liabilities, losses, costs and expenses, including reasonable attorneys' fees and court costs, resulting from Buyer's inspection and testing of the Property, including, without limitation, repairing any and all damages to any portion of the Property arising out of or related directly to Buyer's conducting such inspections, surveys, tests, and studies; provided, however, such indemnification obligation shall not (a) be applicable to Buyer's mere discovery of any adverse physical condition at the Property or discovery of any Hazardous Materials at the Property, (b) include any special, indirect, consequential, exemplary, statutory or punitive damages, or (c) apply to any such claims, damages, liens, liabilities, losses, costs or expenses to the extent such claims, damages, liens, liabilities, losses, costs or expenses are caused by the negligence or willful misconduct of Seller or Seller's officers, directors, shareholders, participants, partners, affiliates, employees, representatives, attorneys, invitees, agents or contractors. Buyer's indemnification obligations, as set forth in this Agreement, shall survive any termination of this Agreement prior to the Close of Escrow and shall also survive the Close of Escrow.

(b) Prior to any entry upon the Property by Buyer or Buyer's agents, contractors, subcontractors or employees, Buyer shall deliver to Seller a certificate of insurance which evidences that Buyer is carrying a commercial general liability insurance policy issued by an insurance company acceptable to Seller, covering (1) the activities of Buyer, and Buyer's agents, contractors, subcontractors and employees on or upon the Real Property, and (2) Buyer's indemnity obligation contained in Section 3(a) above. Such insurance policy shall have a per occurrence limit of at least One Million and 00/100 Dollars (\$1,000,000.00) and an aggregate limit of at least Two Million and 00/100 Dollars (\$2,000,000.00), shall name Seller as additional insureds, shall be primary and non-contributing with any other insurance available to Seller and shall contain a full waiver of subrogation clause. In lieu of purchasing the above-described insurance, Buyer may self-insure against the risks described above.

(c) In the event Buyer determines (in its sole and absolute discretion, for good reason or no reason) that the Property is not suitable for its purposes, Buyer shall have the right to terminate this Agreement by giving written notice thereof to Seller prior to 5:00 p.m. (Pacific Time) on the fifteenth (15<sup>th</sup>) day following the Effective Date (the period ending at such

time and date being referred to herein as the "**Inspection Period**"). If Buyer gives such notice of termination within the Inspection Period, then this Agreement shall terminate and the Buyer Funds (less the Independent Consideration) shall be returned to Buyer, and the parties shall have no further obligations under this Agreement, except for the Surviving Obligations. Time is of the essence with respect to the provisions of this **Section 3(c)**. If Buyer fails to give Seller a notice of termination prior to the expiration of the Inspection Period, Buyer shall no longer have any right to terminate this Agreement under this **Section 3(c)**, shall be deemed to have unconditionally approved the Property, and (subject to any other express right of Buyer to terminate this Agreement) shall be bound to proceed to Closing and consummate the transaction contemplated hereby pursuant to the terms of this Agreement.

4. **Prorations and Apportionments.**

(a) Except as otherwise set forth below, the following shall be prorated and apportioned between Seller and Buyer as of 11:59 p.m. (Pacific Time) on the day preceding the Closing Date:

(i) All real estate taxes and assessments on the Property payable in respect to the current fiscal year of the applicable taxing authority in which the Closing Date occurs (the "**Current Tax Year**"). Such real estate taxes and assessments shall be prorated on a per diem basis based upon the number of days in the Current Tax Year prior to the Closing Date (which shall be allocated to Seller) and the number of days in the Current Tax Year on and after the Closing Date (which shall be allocated to Buyer). Seller shall be responsible for all real estate taxes and assessments on the Property payable in respect to periods prior to the Current Tax Year, regardless of whether the tax bill for such period is delivered before or after the Closing Date. Any taxes which have been prepaid by Seller shall not be prorated, but Seller shall have the sole right after Closing to apply to the Los Angeles County Treasurer for refund of the taxes attributable to the period after acquisition, pursuant to Revenue and Taxation Code Section 5096.7. Upon the Closing Date and subject to the adjustment provided for above, Buyer shall be responsible for all unpaid real estate taxes and assessments on the Property payable in respect to the Current Tax Year and all periods after the Current Tax Year;

(ii) All utility charges. To the extent reasonably practicable, in lieu of prorating the charges for any metered utility service, Seller shall use reasonable efforts to have the utility read the meter as early as possible on the Closing Date, render a final bill to Seller based on such reading, and bill all subsequent service to Buyer; and

(iii) Such other items as are customarily apportioned between sellers and buyers of real property and improvements located in Los Angeles County, California.

(b) Assessments.

(i) If, on the Effective Date of this Agreement, the Property or any part thereof shall be affected by any assessment or assessments which are or may become payable in installments, of which the first installment is now a charge or lien, or has been paid, then Seller shall be obligated to pay all installments of any such assessment which is due and payable prior to the Closing Date.

(ii) Seller shall pay, or will have paid, all special assessments and liens for public improvements or similar liens which are, as of the Closing Date, certified liens and Buyer

shall assume payment of all special assessments and liens or public improvements or similar liens which are, as of the Closing Date, pending liens, unless such special assessments are payable in installments in which case Seller shall be responsible for all installments accruing prior to the Closing Date and Buyer shall be responsible for all of the installments accruing on or after the Closing Date.

(c) Seller shall deliver to Buyer and Title Company a schedule of prorations not later than fifteen (15) Business Days prior to the Closing. Buyer shall approve the same prior to the Closing and such items shall be prorated at the Closing. Such prorations, if and to the extent known and agreed upon as of the Closing, shall be paid by Buyer to Seller (if the prorations result in a net credit to the Seller) or by Seller to Buyer (if the prorations result in a net credit to the Buyer) by increasing or reducing the cash to be paid by Buyer at the Closing.

5. **Closing.**

(a) **Closing Date and Place.** The closing hereunder (the "**Closing**") shall be conducted through an escrow (the "**Escrow**") with Chicago Title Company acting as both escrow agent and title agent, and whose contact information is set forth below ("**Title Company**"). Provided that Buyer has not otherwise terminated this Agreement as provided in this Agreement, the Closing shall occur on or before 2:00 p.m. Pacific Time on the Closing Date (as defined below). The "**Closing Date**" shall mean the date that is ten (10) Business Days after the satisfaction of the Buyer Conditions Precedent, as hereinafter defined (excepting the Seller's Documents, which shall not be required to be delivered into Escrow prior to the Closing), the satisfaction of which shall be confirmed in writing by Buyer to Seller. The Closing Date is estimated to be October 17, 2018. Time is of the essence with respect to each of the dates specified above. All funds necessary to consummate the Closing shall be deposited by Buyer into Escrow no later than 11:00 a.m. on the Closing Date. The Title Company is located at: Chicago Title Company, 725 S. Figueroa St., Los Angeles, California 90017, and the primary contact person is Cheryl Yanez, Sr. Vice President, telephone: (213) 488-4315.

(b) **Seller's Documents.** At or before the Closing (except as otherwise set forth herein), Seller shall execute, acknowledge and/or deliver, as applicable, the following items into Escrow (collectively, the "**Seller's Documents**"):

(i) A grant deed (the "**Deed**") in the form of Exhibit "C" attached hereto and made a part hereof in recordable form;

(ii) An amendment to the Declaration of Covenants, Conditions, and Restrictions and Reservation of Easements (the "**Amended and Restated CC&Rs**") in recordable form, acceptable to Buyer and Seller, executed by all signers of the Original CC&Rs, the final form of which is attached hereto as Exhibit "G". Seller shall assist Buyer post-closing, at no out-of-pocket costs to Seller, in Buyer's efforts to amend that certain Whittier Narrows Business Park Condominium Plan (Parcel 1 of Parcel Map No. 72234) dated February 16, 2015, Recorded in the Official Records on April 3, 2015, as Instrument No. 20150365222 (the "**Condominium Plan**"), such amendment being needed to accurately reflect the Amended and Restated CC&Rs. Seller shall ensure that all original signatories to the Condominium Plan (being Zvi Ryzman and Betty Ryzman on behalf of Whittier Narrows Business Park and David Hager and Adam Milstein on behalf of Pacific West Management) are willing and able to sign any amendment to the Condominium Plan that may be required. This covenant shall survive the Closing.



(iii) A general assignment in the form of Exhibit "E" attached hereto and made a part hereof ("**General Assignment**");

(iv) Releases (or release bonds, if applicable) of existing mortgage liens, mechanics liens or other monetary liens created or assumed by Seller (collectively, "**Seller Liens**") against the Property, if any, satisfactory to Title Company;

(v) A Natural Hazard Disclosure Statement in accordance with California Civil Code Section 1102;

(vi) A copy of an incumbency certificate for JCF, evidencing the authority of the party executing this Agreement on behalf of JCF, and such other evidence reasonably satisfactory to the Title Company that the person executing the Seller's Documents has full right, power and authority to do so.

(vii) The following items, to the extent in Seller's possession or control: all keys, combinations, access cards, and locks to all entrance doors and equipment and utility rooms located at the Property;

(viii) A "FIRPTA" affidavit attesting to facts pertaining to Seller's name, address, tax identification number, and California FTB Form 597-W;

(ix) A closing statement prepared by Title Company (the "**Closing Statement**"), signed or initialed by Seller reflecting all credits, prorations, apportionments and adjustments contemplated hereunder;

(x) Written notice from Buyer that all items to be repaired by Seller prior to Closing, as shown on Exhibit "D", attached hereto and incorporated herein, have been completed by Seller and accepted by Buyer;

(xi) A Memorandum of Right of First Offer (the "**ROFO Memorandum**") in the form of Exhibit "F" attached hereto, setting forth Buyer's right of first offer with respect to the properties located at 1170 Durfee Avenue and 1180 Durfee Avenue, South El Monte, California 91733, in recordable form and executed by Whittier Narrows Business Park;

(xii) Copies of any as-built plans and specifications for the Property, including without limitation, the Buildings, and as-built drawings for all underground utilities in Seller's possession or control;

(xiii) Any governmental and public certificates, permits, licenses and approvals relating to the development, construction, operation, use, maintenance or occupancy of the Property, including without limitation, all building permits, certificates of completion, certificates of occupancy for the Property, environmental permits and licenses and sign permits in Seller's possession or control;

(xiv) Written evidence of the termination of the Teamsters Lease; and

(xv) All other documents Seller is required to deliver pursuant to the provisions of this Agreement to consummate the transactions contemplated hereunder.

(c) **Purchase Price; Prorations and Expenses.** Prior to Closing, Buyer shall deliver into Escrow the balance of the Purchase Price (i.e., the Purchase Price less the Independent Consideration) in accordance with Section 2 hereof, plus Buyer's share of any prorations and expenses as provided herein. Seller's share of prorations and expenses may be paid from Seller's proceeds at Closing.

(d) **Buyer's Documents.** At or before Closing, Buyer shall execute, acknowledge and/or deliver, as applicable, the following items to Seller (collectively, the "**Buyer's Documents**"):

- (i) the Closing Statement signed or initialed by Buyer reflecting all credits, prorations, apportionments and adjustments contemplated hereunder;
- (ii) the Amended and Restated CC&Rs;
- (iii) the ROFO Memorandum;
- (iv) a Certificate of Acceptance to attach to the Deed; and
- (v) all other documents Buyer is required to deliver pursuant to the provisions of this Agreement to consummate the transactions contemplated hereunder.

(e) **Closing Expenses.** At Closing, Seller shall pay all documentary stamp/transfer taxes required to be paid as to the Deed and recording fees, all costs regarding the satisfaction and discharge of any Seller Liens, the brokerage commission due to Seller's Broker in accordance with Section 21 herein (if any), one half of the escrow fees, One Thousand Five Hundred Twenty-Five and 00/100 Dollars (\$1,525.00) toward the cost of the Survey ordered by Buyer, and the cost of a standard coverage Title Policy without endorsements (defined below). Buyer shall pay all costs of obtaining any extended coverage desired by Buyer with respect to the Title Policy, including any endorsements required by Buyer, the remaining cost of the Survey ordered by Buyer in excess of One Thousand Five Hundred Twenty-Five and 00/100 Dollars (\$1,525.00) paid by Seller, and one half of the escrow fees. Each party shall be responsible for its own attorney fees (if any). Any closing expenses not specified herein shall be paid as customary in Los Angeles County.

(f) **Buyer's Conditions Precedent to Closing.** Buyer's obligation to close hereunder is subject to the satisfaction of the following conditions (the "**Buyer Conditions Precedent**"):

(i) The due performance by Seller of each and every undertaking and agreement to be performed by it hereunder in all material respects, and the truth of each representation and warranty made by Seller in this Agreement in all material respects at the time as of which the same is made and as of the Closing Date as if made on and as of the Closing Date (provided, however, that any New Matters disclosed by Seller to Buyer in accordance with Section 7(f) shall be governed by the provisions of Section 7(f) and shall not constitute a breach of representation or warranty by Seller for purposes of this Section 5(f) or otherwise).

(ii) That at no time on or before the Closing Date shall have occurred a bankruptcy or any other event of dissolution with respect to any Seller or any managing member of Seller.



(iii) Seller shall have delivered Seller's Documents into Escrow.

(iv) That, to Buyer's reasonable satisfaction, the Teamsters Lease has been terminated and Teamsters has vacated the Property. Upon Buyer's written request to Seller, Seller and Buyer shall conduct a walk-through to allow Buyer to determine if Teamsters no longer occupies the Property and if Teamsters personal property has been removed. Any items deemed by Buyer during said walk through to be removed shall be removed by Teamsters or Seller in a lawfully acceptable manner.

(v) That the list of items shown on Exhibit "D" have been repaired, installed and/or completed by Seller and accepted by Buyer.

(vi) The Title Company shall unconditionally commit to Buyer at Closing to issue the Title Policy to Buyer pursuant to Section 6(d) herein.

(vii) The Los Angeles County Board of Supervisors has authorized Buyer's execution of this Agreement.

(viii) Seller shall terminate any maintenance, service or utility contracts entered into by Seller affecting the Property as of the Closing.

(ix) Seller shall not have taken any action to adversely affect the condition of title.

In the event that any of the Buyer Conditions Precedent are not satisfied as of the Closing Date (a) Buyer may waive such contingency by giving written notice thereof to Title Company and proceed with the Closing, or (b) in the absence of such waiver, this Agreement and the obligations of the parties hereunder shall terminate (other than the Surviving Obligations) and Title Company shall return any Buyer Funds paid to Buyer. A "Surviving Obligation" for purposes of this Agreement shall mean any obligation or provision, as identified herein, that survives the Closing or termination of this Agreement. Notwithstanding the foregoing, if the failure of condition is the result of a default by Seller of its obligations under this Agreement, Buyer's rights and remedies shall be governed by Section 8 below.

(g) **Seller's Conditions Precedent to Closing.** Seller's obligation to close hereunder is subject to the satisfaction of the following conditions (the "**Seller Conditions Precedent**"):

(i) The due performance by Buyer of each and every undertaking and agreement to be performed by it hereunder in all material respects, and the truth of each representation and warranty made by Buyer in this Agreement in all material respects at the time as of which the same is made and as of the Closing Date as if made on and as of the Closing Date.

(ii) That at no time on or before the Closing Date shall have occurred a bankruptcy or any other event of dissolution with respect to Buyer.

(iii) Buyer shall have delivered the Purchase Price and Buyer's Documents into Escrow.

In the event that any of the Seller Conditions Precedent are not satisfied as of the Closing Date (a) Seller may waive such contingency by giving written notice thereof to Title Company and proceed with the Closing, or (b) in the absence of such waiver, this Agreement and the obligations of the parties hereunder shall terminate (other than the Surviving Obligations) and Title Company shall return any Buyer Funds to Buyer. Notwithstanding the foregoing, if the failure of condition is the result of a default by Buyer of its obligations under this agreement, Seller's rights and remedies shall be governed by Section 8 below.

(h) **Title Company Actions at Closing.** At Closing, upon Title Company's receipt of (i) the Purchase Price and applicable prorations and expenses, (ii) the Buyer Documents and the Seller's Documents, (iii) the final Closing Statement approved and signed by Buyer and Seller, and (iv) final authorization from each of Seller and Buyer to proceed with Closing, Seller and Buyer hereby instruct Title Company to:

(i) Wire transfer to Seller (in accordance with wiring instructions to be provided by Seller prior to Closing) in good funds the Purchase Price, together with all other amounts required to be paid by Buyer to Seller pursuant to this Agreement and the approved Closing Statement (net of any amounts required to be paid by Seller to Buyer pursuant to this Agreement and the approved Closing Statement).

(ii) Record the Deed and ROFO Memorandum, and deliver to the County Assessor any off-record transfer tax declaration and/or change of ownership statement that may be required by law.

(iii) Issue the Title Policy to Buyer.

(iv) Deliver to Seller copies of all documents recorded at Closing by Title Company;

(v) Deliver to Buyer: (i) copies of all documents recorded at Closing by Title Company; (ii) a certified copy of the approved Closing Statement; and (iii) copies of the "FIRPTA" and California FTB Form 597-W.

(i) **Operation of the Property Prior to the Closing Date.** Between the Effective Date and the Closing Date, Seller shall continue to operate and maintain the Property in the usual and ordinary course of business consistent with past practices. Furthermore, Seller shall not enter into any new leases or extensions of the Teamsters Lease. Seller shall not enter into any maintenance, service or utility contracts affecting the Property and will terminate any maintenance, service or utility contracts entered into by Seller affecting the Property as of the Closing. Seller shall pay all costs and utility charges in relation to the operation and maintenance of the Property from the Effective Date until the Closing Date. Seller shall keep in full force and effect all of the existing insurance policies maintained by Seller respecting the Property or policies providing similar coverage to the existing insurance policies.

## **6. Condition of Title.**

(a) Seller has previously delivered to Buyer for Buyer's review and approval as set forth below, a preliminary title report (the "**Preliminary Report**") covering the Property and issued by the Title Company, together with legible copies of the documents referenced therein (or a hyperlinked version of the Preliminary Report with links to such documents). Seller agrees that it shall discharge, prior to Closing, all Seller Liens. The cost of a standard coverage

CLTA Owner's Policy of Title Insurance without endorsements (the "**Title Policy**") shall be paid by Seller, and any excess costs for extended coverage and any endorsements required by Buyer shall be paid by Buyer.

(b) If the Preliminary Report or any update thereto, or any Survey or update thereto (collectively "**Title Documents**"), shall disclose the existence of any liens, encumbrances or other defects or exceptions other than pre-printed standard exceptions (collectively, the "**Title Matters**"), then Buyer shall have until 5:00 p.m. (Pacific Time) (i) on the date which is fifteen (15) days following the Effective Date, and (ii) on the date which is five (5) days after Buyer's receipt of any update to the Title Documents solely with respect to Title Matters disclosed in such update, to give Seller and Title Company written notice of its disapproval as to matters disclosed in the Title Documents ("**Buyer's Title Notice**"), specifying any Title Matters that Buyer finds objectionable in its sole discretion (each, an "**Objection**"). Any and all matters affecting title to or the use of the Property (including without limitation all taxes, assessments, easements, restrictions, covenants, conditions, encumbrances, encroachments, boundary matters and zoning and other regulatory laws and ordinances) that Buyer does not list as an Objection shall be deemed to be "**Permitted Exceptions**." Seller shall notify Buyer no later than five (5) days after receipt of Buyer's Title Notice whether or not Seller will attempt to cure the applicable Objections (which may include collection of same out of the Purchase Price) ("**Seller Election**"). Notwithstanding anything to the contrary, any deed of trust liens, mechanics liens or judgment liens filed against the Property as a result of any act or omission by Seller, whether or not timely objected to, shall not be Permitted Exceptions and shall be removed or terminated, as applicable, by Seller on or before Closing. If the Seller Election is an election not to attempt to cure, Buyer shall have the right to terminate this Agreement by giving written notice (the "**Termination Notice**") thereof to Seller and Title Company within five (5) days after receiving the Seller Election, and upon such termination, Title Company shall return any Buyer Funds to Buyer and neither party hereto thereafter having any further rights or obligations hereunder, except for the Surviving Obligations. In the event that Buyer does not timely deliver a Termination Notice, Buyer shall be deemed to waive the Objections and elect to consummate the purchase of the Property subject to the Objections which shall be deemed to be Permitted Exceptions. Should Seller make a Seller Election to attempt to cure, but for any reason Seller is unsuccessful in completing same, Buyer as its sole remedy therefor may elect to terminate this Agreement or to waive the Objections and proceed to close under the provisions as stated herein. In the event that Buyer exercises its termination right pursuant to the foregoing sentence, Title Company shall return any Buyer Funds to Buyer, and this Agreement and the obligations of the parties hereunder shall terminate (other than the Surviving Obligations).

(c) Buyer may update the survey of the Property (the "**Survey**") it receives from Seller, if any, as part of the Due Diligence Materials. The cost of any update shall be shared between Buyer and Seller as follows: Seller will pay One Thousand Five Hundred Twenty-Five and 00/100 Dollars (\$1,525.00) toward the cost of the Survey; any remaining cost for such update shall be borne by Buyer. Within ten (10) days of Buyer's receipt of the updated Survey, Buyer shall give written notice to Seller and to Title Company of those matters disclosed on the Survey that Buyer finds objectionable, and such objections shall be deemed Objections and dealt with as such in accordance with the provisions of Section 6(b) above. Notwithstanding the foregoing, if requested by Title Company and/or Buyer, Seller shall execute and deliver to the Title Company an "owner's unconditional waiver and lien release" in a form reasonably acceptable to Title Company and Buyer containing appropriate disclosures regarding any work at the Property by Seller (if any) and (limited to Seller's actual knowledge)

any work at the Property by Teamsters, in order for the Title Company to provide Buyer the Title Policy with coverage free from any exception regarding mechanic's liens.

(d) A condition precedent to Buyer's obligation to purchase the Property shall be the willingness of Title Company to issue to Buyer on the Closing Date the Title Policy, or equivalent form acceptable to Buyer in its reasonable discretion, in the face amount of the Purchase Price and dated as of the date the Deed is recorded, indicating title to the Property to be vested of record in Buyer, subject solely to the Permitted Exceptions, and containing endorsements and additional coverages as reasonably requested by Buyer.

(e) Buyer agrees that its acceptance of the Owner's Policy shall be in full satisfaction of any express or implied warranty of Seller as to the condition of title to the Property, and in the event there are any title exceptions or defects, including, without limitation, liens, encumbrances, covenants, conditions, reservations, restrictions, rights, rights of way, or easements, which, in Buyer's opinion, constitute a defect in title not shown or revealed in the Title Documents, Buyer shall look solely to the remedies available to Buyer under the Owner's Policy, and Seller shall have no responsibility or liability therefor, except for any action based on fraud or California Civil Code section 1113, which may be asserted against Seller.

**7. Representations, Warranties, Covenants and Acknowledgments.**

(a) **Due Diligence Materials.** Within two (2) days of the Effective Date, Seller shall provide or make available to Buyer all Due Diligence Materials within the possession or control of Seller, as more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference. Except as expressly set forth herein, Seller's delivery of the Due Diligence Materials to Buyer shall in no way be deemed to be a representation or warranty by Seller to Buyer as to any matter whatsoever and Seller shall have no liability of any kind or nature whatsoever to Buyer for any inaccuracy contained in the Due Diligence Materials, any omission of information or any damage to Buyer which may result from Buyer's reliance upon the contents of the Due Diligence Materials.

(b) **Seller Representations and Warranties.** Seller represents and warrants that the following matters (items (i) through (xx) of this Subsection 7(b)) are true and correct as of the Effective Date with respect to the Property and as a condition of Closing, these matters will be true and correct at Closing. For purposes of this Section 7(b) and elsewhere in the Agreement and any document delivered at Closing, whenever the phrases "to the best of Seller's knowledge" "to the current, actual, conscious knowledge of Seller" or the "knowledge" of Seller or words of similar import are used, they shall be deemed to refer to the current, actual, conscious knowledge only, and not any implied, imputed or constructive knowledge, without any independent investigation having been made or any implied duty to investigate, of David Carroll, as the Chief Financial Officer and Senior Vice President of Finance and Administration of JCF.

(i) Seller has the full legal right, power and authority to execute and deliver this Agreement and all of Seller's Documents, to consummate the transactions contemplated hereby, and to perform its obligations hereunder and under all of Seller's Documents. Other than those which have already been obtained by Seller, no consents are required from any mortgagee, Teamsters or other third party in connection with the sale of the Property or with respect to the performance of Seller's obligations under this Agreement and the other Seller Documents.



(ii) Seller has entered into this Agreement as of the Effective Date, and this Agreement is in full force and effect and constitutes a valid, binding obligation upon Seller. Seller further agrees from time to time, upon Buyer's request and prior to the Closing Date, at no out-of-pocket cost to Seller, to confirm to Buyer, that this Agreement is in full force and effect and there are no defaults hereunder nor disclosing any known items to the contrary, and that Seller is proceeding diligently to consummate the transaction. Seller shall also state whether, any conditions for the closing of the transaction contemplated thereunder remain unsatisfied.

(iii) There is no action, proceeding, litigation, or investigation pending or threatened that involves or would affect the Property or Seller's ability to perform its obligations under this Agreement. Seller has not received any written notice and has no knowledge that any eminent domain, condemnation or similar proceeding or conveyance in lieu thereof of all or any part of the Property has been initiated or is contemplated.

(iv) Seller has received no written notice of zoning violations with respect to Seller's use of the Property and has received no written notice of the Property being subject to any variances or being a non-conforming use. Seller has no actual knowledge of (a) proposed or pending proceeding to change or redefine the zoning classification of all or any portion of the Property, or (b) proposed change in road patterns or grades which may adversely affect access to any public or private roads providing a means of ingress to or egress from the Property. No written notice has been issued with respect to any pending or contemplated change in any other legal requirement which may materially adversely affect the use, ownership, management or operation of the Property.

(v) To the best of Seller's knowledge after reasonable inquiry, (a) no Hazardous Materials (as defined below) have been poured on or disposed of on or about the Property and (b) Seller has not poured on or disposed of any Hazardous Materials on or about the Property, except for fertilizers and pesticides applied in connection with customary operations on the Property in accordance with applicable law and except as disclosed in any environmental reports of the Property that Seller shall deliver to Buyer.

(vi) As of the Closing Date, there will be no outstanding contracts encumbering the Property for any improvements to the Property, maintenance, service or utility contracts that have not been paid in full (with respect to utilities, to the extent reasonably practicable in accordance with Section 4(a)(ii)). Seller shall cause to be discharged any mechanic's liens caused by or on behalf of Seller and arising prior to the close of Escrow.

(vii) Seller has not received and has no actual knowledge of any written notice or written request from any insurance company or Board of Fire Underwriters or from any mortgagee requesting the performance of any work or alteration in respect of the Buildings that has not been performed.

(viii) All appliances, heating, air conditioning, plumbing, electrical, security system, intercoms, landscape systems, and any other similar mechanical system will be in good working order.

(ix) All warranties of labor and materials pertaining to construction and remaining at Closing, if any, will pass to Buyer upon Closing to the extent that such warranties may be assigned.



(x) From the date hereof until Closing, Seller shall continue to manage and operate the Property in the manner it is operated and maintained by Seller as of the Effective Date.

(xi) There are no oral agreements between Seller and any third party with respect to the Property that will survive the Closing.

(xii) All building permits, certificates of occupancy and all other licenses and permits required in connection with the use or occupancy of the Property have been obtained and are in effect.

(xiii) This Agreement and Seller's Documents do not and will not contravene any provision of the organizational documents of Seller, any judgment, order, decree, writ or injunction issued against Seller, or any provision of any laws applicable to Seller. The consummation of the transactions contemplated hereby will not result in a breach or constitute a default or event of default by Seller under any agreement to which Seller or any of its assets are subject or bound and will not result in a violation of any laws applicable to Seller.

(xiv) Seller has not received a written notice of any currently pending or threatened judicial, municipal or administrative proceedings against the Property (or against Seller that would directly affect the Property).

(xv) Seller has not received written notice of any pending or threatened condemnation proceedings affecting the Property.

(xvi) Seller has not received any written notice from any governmental entity of any violations or alleged violations of any laws, rules, regulations or codes with respect to the Property that have not been cured.

(xvii) Seller has no knowledge of any aspect or condition of the Property that violates applicable laws, rules, regulations, code or covenants, conditions or restrictions, or of improvements or alterations made to the Property without a permit where one was required, or any unfulfilled order or directive of any applicable governmental agency or casualty insurance company requiring any investigation, remediation, repair, maintenance or improvement be performed on the Property.

(xviii) Seller has provided or made available to Buyer all Due Diligence Materials within the possession or control of Seller. Seller has not falsified any of the Due Diligence Materials provided to or made available to Buyer. Seller has no actual knowledge of any inaccuracies in the Due Diligence Materials. Except as disclosed in the Due Diligence Materials, Seller has no actual knowledge of any inherent physical defects to the Property.

(xix) There are not any maintenance, service or utility contracts entered into by Seller that will continue to affect the Property after the Closing.

(xx) Each of the individuals and entities constituting Seller collectively own in fee title, 100% of the Property.

Seller shall promptly notify Buyer of any material change in any condition with respect to the Property or of any material event or circumstance actually known to Seller (without any duty to

conduct any investigation of any nature) that makes or would make any representation or warranty of Seller contained in this Section 7(b) or elsewhere in this Agreement materially false or materially misleading, it being understood that Seller's providing the notice to Buyer shall in no way relieve Seller of any liability for a breach by Seller of any of its representations, warranties or covenants under this Agreement.

(c) **Buyer Representations and Warranties.** Buyer warrants and represents to Seller that the following matters are true and correct as of the Effective Date. For purposes of this Section 7(c) and elsewhere in the Agreement and any document delivered at Closing, whenever the phrases "to the best of Buyer's knowledge" "to the current, actual, conscious knowledge of Buyer" or the "knowledge" or words of similar import are used, they shall be deemed to refer to the current, actual, conscious knowledge only, and not any implied, imputed or constructive knowledge, without any independent investigation having been made or any implied duty to investigate, of Joyce Chang, County of Los Angeles Chief Executive Office, Asset Management Branch of the Real Estate Division. The named individual is acting for and on behalf of Buyer and in a capacity as an employee of Buyer and is in no manner expressly or impliedly making any representations or warranties in an individual capacity. Seller waives any right to sue or seek any personal judgment or claim against the named individual.

(i) Buyer is a body politic and corporate.

(ii) Buyer has the full legal right, power, authority and financial ability to execute and deliver this Agreement and all of Buyer's Documents, to consummate the transactions contemplated hereby, and to perform its obligations hereunder and under all of Buyer's Documents.

(iii) Buyer has entered into this Agreement as of the Effective Date, and this Agreement is in full force and effect and constitutes a valid, binding obligation upon Buyer. This Agreement and Buyer's Documents do not and will not contravene any provision of the organizational documents of Buyer, any judgment, order, decree, writ or injunction issued against Buyer, or any provision of any laws applicable to Buyer. The consummation of the transactions contemplated hereby will not result in a breach or constitute a default or event of default by Buyer under any agreement to which Buyer or any of its assets are subject or bound and will not result in a violation of any laws applicable to Buyer.

(iv) To the best of Buyer's knowledge, Buyer has not received any written notice of any currently pending or threatened judicial actions, proceedings or investigations which may have an adverse impact on the transactions contemplated hereby.

(v) Buyer has taken, and shall continue to take until Closing, such measures as are required by law to assure that the Funds used to pay the Purchase Price, are derived from transactions that do not violate United States law.

(d) **Buyer's Acknowledgement.**

(i) Buyer has been in possession of the Real Property located at 1190 Durfee Avenue as a tenant since August 1, 2000; and Buyer acknowledges and agrees that it is purchasing the Property based solely upon Buyer's inspections and investigations of the Property, inquiries of governmental agencies having jurisdiction over the Property and all documents related thereto, or its opportunity to do so, and Buyer is purchasing the Property in an "AS IS, WHERE IS," "WITH ALL FAULTS" condition, without relying upon any

representations or warranties of Seller, its agents, contractors, consultants, or employees, whether express, implied or statutory, of any kind, except for those representations and warranties expressly set forth in Section 7(b)

(ii) Except for those representations and warranties expressly set forth in Section 7(b), Buyer acknowledges that neither Seller, nor any agent, employee, consultants, contractor, nor other party associated with Seller has made any representations or warranties, express or implied, on which Buyer is relying as to any matters, directly or indirectly, concerning the Property, Improvements, development rights, expenses associated with the Property, taxes, assessments, bonds, permissible uses, title exceptions, water or water rights, topography, utilities, zoning of the Property, soil, subsoil, the purposes for which the Property is to be used, drainage, environmental or building laws, rules or regulations, toxic waste or Hazardous Materials, condition of the Property, the income to be derived from the Property, the suitability of the Property for any and all activities and uses which Buyer may conduct thereon, the compliance of or by the Property or its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body, including, without limitation, the Americans with Disabilities Act and any rules and regulations promulgated thereunder or in connection therewith, the habitability, merchantability or fitness for a particular purpose of the Property, or any other matters affecting or relating to the Property. Buyer hereby expressly acknowledges that, except as expressly set forth in Section 7(b), no such representations have been made. Buyer further acknowledges and agrees that, except as expressly provided in this Agreement, having been given the opportunity to inspect the Property, Buyer is relying solely on its own investigation of the Property and not on any information provided or to be provided by Seller. Buyer further acknowledges and agrees, except as expressly provided in this Agreement, that any information provided or to be provided with respect to the Property was obtained from a variety of sources and that Seller has not made any independent investigation or verification of such information.

(iii) Except as otherwise set forth herein, including Seller's representations and warranties expressly set forth in Section 7(b), Buyer shall perform and rely solely upon its own investigation and inquiries concerning the Property. Seller's cooperation with Buyer in connection with Buyer's due diligence review of the Property, whether by providing the Title Report and/or other documents, or permitting inspection of the Property, shall not be construed as any warranty or representation, express or implied, of any kind with respect to the Property, or with respect to the accuracy, completeness, or relevancy of any such documents.

(iv) Buyer acknowledges that Seller has made or will make available for Buyer's inspection copies of various materials, documents, reports, agreements, studies and plans in Seller's possession, including, without limitation, the Due Diligence Materials. The furnishing by Seller of any materials, documents, reports, agreements, studies or opinions shall not be deemed to be a representation, or warranty of any type by Seller, its agents, partners, or employees. Buyer agrees that Seller shall have no liability, obligation or responsibility of any kind with respect to any of the following: (1) the content, completeness or accuracy of any report, study, opinion or conclusion of any soils, structural, environmental or other engineer or other person or entity who has examined the Property or any aspect thereof; (2) the content, completeness or accuracy of any information released to Buyer by an engineer, construction manager, architect or any other person in connection with the ownership, management or construction of the Property; (3) the ability to obtain necessary governmental permits or approvals for Buyer's use and improvement of the Property; (4) any of the items delivered to Buyer pursuant to Buyer's review of the condition of the Property, or otherwise related to or in



connection with the Property; or (5) the content, completeness or accuracy of any other construction cost estimate, projection, financial or marketing analysis or other information given to Buyer by Seller, its agents, employees, contractors, or consultants, or reviewed by Buyer with respect to the Property.

(v) Except as otherwise set forth herein, including Seller's representations and warranties expressly set forth in Section 7(b), Buyer hereby expressly waives, releases and relinquishes any and all claims, causes of action, rights and remedies Buyer may now or hereafter have against Seller, and the affiliates, directors, officers, attorneys, employees, partners, shareholders, property managers, brokers, and agents of Seller, whether such claims are known or unknown, foreseen or unforeseen, regarding all matters (A) affecting or related to, in any way, the Real Property, the Personal Property, the Property and any condition of the Property whatsoever, including without limitation, any improvements that may exist thereon; and (B) under any Environmental Law, common law, in equity or otherwise, with respect to (1) any past, present or future presence or existence of Hazardous Materials on, under or about the Property or (2) any past, present or future violations of any Environmental Law, provided, however, this release does not apply to Seller's breach of any of the representations and warranties of Seller set forth in Section 7(b) and to any fraud or willful misconduct by Seller. For the purposes of this Agreement, the term "Environmental Law" means any and all federal, state and local, statutes, ordinances, orders, rules, or any regulations, as may presently exist, or as may be amended or supplemented, or hereafter enacted, relating to the presence, release, generation, use, handling, treatment, storage, transportation or disposal of Hazardous Materials. As used in this Agreement, the term "Hazardous Material(s)" includes, without limitation, any hazardous or toxic material, substance, irritant, chemical, or waste, including without limitation (a) any material defined, classified, designated, listed or otherwise considered under any Environmental Law, rule or regulation as a "hazardous waste," "hazardous substance," "hazardous material," and which is or becomes regulated by any local governmental authority, any agency of the state of California or any agency of the United States Government, (b) asbestos, (c) oil, petroleum, petroleum based products and petroleum additives and derived substances, (d) urea formaldehyde foam insulation, (e) polychlorinated biphenyls (PCBs), (f) freon and other chlorofluorocarbons, (g) any drilling fluids, produced waters and other wastes associated with the exploration, development or production of natural gas or oil, (h) mold, fungi, viruses or bacterial matter, and (i) lead-based paint.

IN SAID REGARD, BUYER HEREBY ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 ("SECTION 1542"), WHICH IS SET FORTH BELOW:

"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."

BY INITIALING BELOW, BUYER HEREBY WAIVES THE PROVISIONS OF SECTION 1542 IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING WAIVERS AND RELEASES:

\_\_\_\_\_  
Buyer's Initials

Notwithstanding the foregoing, in the event that Hazardous Materials or other conditions are discovered during Buyer's inspection of the Property, subject to the obligations of the tenant under any applicable lease, Seller shall be responsible for all clean up responsibilities and remedial measures as may be required. Furthermore, the parties agree that the waiver set forth in this Section 7(d)(iv) shall not be deemed to be a waiver by Buyer as to any liability, claims, demands, damages or costs that Buyer may have against any third party for the matters described in this Section 7(d)(iv). The provisions (including, without limitation, the waivers and releases) of this Section 7(d)(iv) shall survive (i) the Closing and the recordation of the Grant Deed and shall not be deemed merged upon its recordation, or (ii) termination of this Agreement.

(e) **Remade on Closing Date.** The representations and warranties of Buyer and Seller set forth in this Agreement shall not merge into any instrument or conveyance delivered at the Closing and shall be true, accurate and correct in all material respects upon the execution of this Agreement, and shall be deemed to be re-made on and as of the Closing Date (except as they relate only to an earlier date), and shall survive the Closing, provided, however, that any action, suit or proceeding with respect to the truth, accuracy or completeness of all such representations and warranties shall be commenced, if at all, on or before the three hundred sixty fifth (365<sup>th</sup>) day after the Closing Date and, if not commenced on or before such date, thereafter shall be void and of no force or effect. If prior to the Closing, Buyer receives notice from Seller of any information which indicates that any of Seller's representations and warranties are untrue, Buyer shall promptly notify Seller in writing of such information. If Buyer fails to promptly notify Seller prior to the Closing, Buyer shall be deemed to have waived its rights with respect to any such representation and warranty. If Buyer waives any representation or warranty, then Seller shall have no liability under this Agreement for such representation or warranty to the extent waived. If this Agreement is terminated because of a failure of conditions in Sections 5(f), 5(g) or 6, or pursuant to Section 9, then neither Buyer nor Seller shall have any liability if any of Buyer's or Seller's representations or warranties are inaccurate.

(f) **Notice of New or Newly Discovered Matters.** At any time prior to the Closing Date (but in no event later than twenty (20) Business Days prior to the Closing Date), Seller will notify Buyer in writing of any new or newly discovered fact or condition that would constitute a breach of any of Seller's representations and warranties set forth in Sections 7(b), above (a "**New Matter**"), and Buyer shall have until the Closing Date to review the New Matter. Buyer may elect to terminate this Agreement, in which case Title Company shall return any Buyer Funds to Buyer, and Buyer and Seller will have no further rights and obligations under this Agreement except the Surviving Obligations. If Buyer does not so terminate this Agreement, such New Matter shall be deemed an approved exception, at Buyer's determination, to Seller's representations and warranties. Notwithstanding the above, any New Matter arising from the acts of Buyer or its agents or representatives shall constitute an approved exception to Seller's representations and warranties (and shall not constitute a breach of any representation or warranty by Seller.) Furthermore, and notwithstanding anything to the contrary contained in this Section 7(f) or elsewhere in this Agreement, any act or omission committed by Seller that would constitute a breach of any of Seller's representations and warranties set forth in Sections 7(b) shall not be deemed a New Matter and cannot become a Permitted Exception pursuant to this Section 7(f).

## 8. **Remedies Upon Default.**

### (a) **Default by Seller.**



(i) If Seller fails to close the transaction contemplated by this Agreement for any reason except Buyer's default, failure of Buyer to satisfy the Seller Conditions Precedent, or a termination of this Agreement (for a reason other than a default) by Buyer or Seller pursuant to a right to do so under the provisions of this Agreement, Buyer may elect, as the sole and exclusive remedy of Buyer, to (i) terminate this Agreement and the Title Company shall return any Buyer Funds to Buyer, and in the event of an Intentional Seller Default (as defined below), Buyer may also recover from Seller its costs and expenses as set forth in Section 8(a)(v) below, and in such event Seller shall not have any liability whatsoever to Buyer hereunder other than as provided in this Section 8(a), or (ii) Buyer may pursue the remedy of specific performance of Seller's obligations to proceed to Closing under Section 5 of this Agreement.

(ii) As used herein, an "**Intentional Seller Default**" means an intentional and deliberate or grossly negligent act of Seller taken on or after the Effective Date that is intended to result in, and does result in, Buyer's inability to consummate the transaction contemplated in this Agreement for a reason other than Buyer's default or the failure of any condition to Closing to be satisfied (unless the failure to satisfy a condition to Closing is due to Seller's intentional and deliberate or grossly negligent act).

(iii) Buyer agrees that prior to exercising any rights or remedies as a result of any defaults by Seller, Buyer shall first deliver written notice of the default to Seller, and Seller shall have the obligation to cure such default within five (5) days after Seller's receipt of such notice.

(iv) Buyer may file any memorandum or other instrument of record against title to the Property; including filing a lis pendens as to this Agreement simultaneously with its filing of a suit for specific performance pursuant to this Section 8.

(v) Except as expressly limited by this Agreement, Buyer has any and all rights to seek money damages of any kind as a result of any default by Seller under any of the terms of this Agreement, including but not limited to (A) nonpayment of Seller Liens and any Seller Surviving Obligations, and (B) the recovery of expenses, out-of-pocket costs and third party costs actually paid by Buyer in connection with this Agreement (including reasonable attorneys' fees incurred to force Seller to pay the same if Seller refuses to do so within ten (10) Business Days after demand) up to a maximum of \$150,000.00 following an Intentional Seller Default pursuant to Subsection 8(a)(ii) above. Notwithstanding the foregoing, Buyer is expressly prohibited from seeking any punitive, speculative, special or consequential damages against Seller.

(vi) Notwithstanding the foregoing, nothing contained herein shall limit Buyer's remedies at law or in equity against Seller for the Surviving Obligations.

(b) **Default by Buyer.** If Buyer fails to close the transaction contemplated by this Agreement for any reason except Seller's default, failure of Seller to satisfy the Buyer Conditions Precedent, or a termination of this Agreement (for a reason other than a default) by Buyer or Seller pursuant to a right to do so under the provisions of this Agreement, Seller may elect, as the sole and exclusive remedy of Seller, to terminate this Agreement by written notice to Buyer, and thereupon, Seller shall have the right to seek damages under the law (except that Seller is expressly prohibited from seeking any punitive, speculative, special or consequential damages against Buyer).

9. **Risk of Loss; Eminent Domain.**

(a) If, prior to the Closing, all or any portion of the Buildings is damaged by fire, vandalism, acts of God or other casualty or cause, Seller shall promptly give Buyer written notice of any such damage, together with Seller's estimate of the cost and period of repair and restoration. In any such event: (i) in the case of damage to the Buildings of less than Five Hundred Thousand and 00/100 Dollars (\$500,000.00) and from a risk "fully covered" (as defined below) by Seller's insurance, Buyer shall have the option to take the Buildings at the Closing as-is, together with the insurance proceeds or the right to receive the same and a credit against the Purchase Price for any deductible; or (ii) in the case of either (1) damage to the Buildings of Five Hundred Thousand and 00/100 Dollars (\$500,000.00) or more, or (2) damage to the Buildings from a risk not covered by Seller's insurance, Buyer shall have the option of (x) taking the Buildings at the Closing in accordance with item (i) above or (y) terminating this Agreement (pursuant to Section 9(c) below) by delivering notice of its decision to Seller within fifteen (15) days of receipt of Seller's notice of any such damage. "**Fully covered**" for purposes of this Agreement shall mean that there are paid sufficient insurance proceeds, together with the amount of any applicable deductible, on account of the subject casualty to fully repair and restore the damaged portion of the Buildings to its pre-casualty condition. If pursuant to this Section 9(a), Buyer is either obligated or elects to take the Buildings as-is together with the insurance proceeds or the right to receive the same Seller agrees to permit Buyer to participate in any loss adjustment negotiations, legal actions and agreements with the insurance company, and to assign to Buyer at the Closing its rights to such insurance proceeds and will not settle any insurance claims or legal actions relating thereto without Buyer's prior written consent.

(b) If, prior to Closing, all or any portion of the Property is taken by eminent domain or condemnation (or is the subject of a pending or contemplated taking which has not been consummated) (a "Taking"), Seller shall notify Buyer of such fact and Buyer shall have the option to terminate this Agreement upon written notice to Seller within ten (10) Business Days after Buyer's receipt of Seller's notice. Notwithstanding the foregoing, any taking solely of subsurface rights or takings for utility easements or right of way easements, if the surface of the Property, after such taking, may be used in the same manner, as reasonably determined by Buyer, as though such rights had not been taken, shall not constitute a Taking under this Section 9(b). If this Agreement is so terminated, the provisions of Section 9(c) shall apply. If Buyer does not elect to so terminate this Agreement, Buyer shall proceed to Closing as provided in this Agreement without abatement of or adjustment to the Purchase Price and, at Closing, Seller shall assign and turn over all compensation and damages awarded or the right to receive same with respect to such Taking. Seller shall not compromise, settle or adjust any claims to such award without Buyer's prior written consent. Seller shall execute such documents or instruments as may reasonably be required to effect such an assignment. Any such assignment shall be without representation or warranty by, or recourse to, Seller.

(c) If this Agreement is terminated pursuant to this Section 9, any and all Buyer Funds shall be delivered by Title Company to Buyer, and the parties hereto shall be released from all further obligations and liabilities hereunder, except for the Surviving Obligations. Buyer and Seller waive any and all applicable laws relating to casualty or condemnation that would give Buyer or Seller the right to terminate this Agreement, or that are contrary to the provisions in this Section 9, in the event of a casualty or condemnation affecting the Property (it being the parties' intent that this Section 9 shall exclusively govern the parties' rights in the event of a casualty or condemnation affecting the Property). Possession of the Property shall be delivered to Buyer as of the Closing.

10. **Right of First Offer on Seller's Adjacent Property.** Whittier Narrows Business Park, a California general partnership ("**WNBP**") is the sole owner of the real property and improvements located at 1170 Durfee Avenue and 1180 Durfee Avenue, South El Monte, California. If WNBP desires to sell its property located at 1170 Durfee Avenue or 1180 Durfee Avenue to an unaffiliated third party (not including a donation of such property to a charity/foundation), WNBP shall first notify Buyer (the "**ROFO Notice**") of its interest to sell and its desired price (the "**Seller Desired Price**"), and shall provide the Buyer with the opportunity to make an offer to purchase 1170 Durfee Avenue and/or 1180 Durfee Avenue at the Seller Desired Price. Buyer shall have thirty (30) days from receipt of the ROFO Notice to inform WNBP of the Buyer's interest in purchasing the applicable property. If the Buyer's offer is less than the Seller Desired Price, then WNBP shall have the right to sell either property for a price not less than ninety-five percent (95%) of the Seller Desired Price for a period of twelve (12) months from receipt of Buyer's offer. If WNBP fails to sell the applicable property for a price not less than ninety-five percent (95%) of the Seller Desired Price or within the time limit specified in the previous sentence, then Buyer's right of first offer shall subsequently renew. However, if WNBP sells such property, then this right of first offer shall be forever extinguished as to the property in question but shall remain in place as to the other property that has not been sold. Seller shall cause WNBP to execute and deliver the ROFO Memorandum into Escrow at or before the Closing.

11. **Binding Effect.** This Agreement shall be binding upon, shall inure to the benefit of, and shall be enforceable by, the parties hereto and their respective heirs, personal representatives, successors and permitted assigns (subject, however, to the restrictions in Section 22 below).

12. **Governing Law.** This Agreement shall be governed by and construed under and in accordance with the laws of the State of California. Any litigation with respect to this Agreement shall be conducted in the County of Los Angeles, California.

13. **Time of Essence.** Time shall be deemed of the essence with respect to consummating the transactions contemplated under this Agreement on the Closing Date and with respect to all other obligations of Buyer and Seller hereunder.

14. **Counterparts.** This Agreement may be executed in one or more counterparts each of which shall be deemed an original but all of which shall constitute one and the same Agreement.

15. **Waiver.** Except as otherwise provided herein, the failure of Seller or Buyer to insist upon or enforce any of their respective rights hereunder shall not constitute a waiver thereof.

16. **Construction.** Each party hereto acknowledges that all parties hereto have participated equally in the drafting of this Agreement and that accordingly, no court construing this Agreement shall construe it more stringently against one party than the other.

17. **Insertion of Corrections or Modifications.** Typewritten or handwritten provisions inserted in this Agreement or in the exhibits hereto (and initialed by the parties) shall control all printed provisions in conflict therewith.



18. **Captions.** The captions used herein have been included for convenience of reference only and shall not be deemed to vary the content of this Agreement or limit the provisions or scope of any section or paragraph hereof.

19. **Pronouns.** All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular, or plural as the identity of the person or entity may require.

20. **Severability.** Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but in the event that any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

21. **Broker.** Buyer and Seller each represent and warrant to the other that neither party has engaged any broker with respect to this transaction and that no broker, agent or finder has been authorized to act on either party's behalf. Any brokerage obligation or payment due a representative of Seller shall be wholly the responsibility of Seller. Seller shall indemnify and hold County and its Special Districts, elected and appointed officers, employees, and agents harmless from and against any and all liabilities, claims, demands, costs and expenses, including, without limitation, reasonable attorneys' fees and costs in connection with claims for any such commissions, finders' fees or brokerage fees arising out of Seller's actions. Buyer shall indemnify and hold Seller and its officers, employees and agents harmless from and against any and all liabilities, claims, demands, damages, costs and expenses, including, without limitation, reasonable attorneys' fees and court costs, in connection with claims for any such commissions, finders' fees or brokerage fees arising out of Buyer's actions. The obligations and representations contained in this Section 21 shall survive Closing or termination of this Agreement.

22. **Restriction on Buyer Assignment.** This Agreement may be assigned by Buyer without the prior written consent of Seller, provided however Buyer shall provide Seller with written notice of any such assignment.

23. **Merger.** All prior statements, understandings, letters of intent, representations and agreements between the parties, oral or written, are superseded by and merged in this Agreement, which alone fully and completely expresses the agreement between Seller and Buyer in connection with this transaction and which is entered into after full investigation, neither party relying upon any statement, understanding, representation or agreement made by the other not embodied in this Agreement.

24. **Exhibits.** All of the Exhibits annexed hereto are incorporated herein by reference and form a part of this Agreement.

25. **Use of the Word "Herein".** Use of the words "herein," "hereof," "hereunder" and any other words of similar import refer to this Agreement as a whole and not to any particular article, section or other paragraph of this Agreement unless specifically noted otherwise in this Agreement.

26. **Date of Performance.** If the date of the performance of any term, provision or condition of this Agreement shall happen to fall on a Saturday, Sunday or other non-Business Day, the date for the performance of such term, provision or condition shall be extended to the



next succeeding Business Day immediately thereafter occurring. As used in this Agreement, the term "**Business Day**" shall mean any day that is not a Saturday, Sunday, or federal or County of Los Angeles holiday.

27. **Third Parties.** This Agreement shall not be deemed to confer in favor of any third parties any rights whatsoever as third-party beneficiaries, the parties hereto intending by the provisions hereof to confer no such benefits or status.

28. **Acceptance of the Deed.** The delivery by Seller and the acceptance by Buyer of the Deed shall be deemed to be the full performance and discharge of every agreement, obligation, and covenant, guaranty, representation, or warranty on the part of Seller and Buyer, respectively, to be performed pursuant to the provisions of this Agreement in respect of the Property, except for the Surviving Obligations. Certain provisions of this Agreement, as expressly provided herein, shall survive Closing or termination. This Section shall survive the Closing.

29. **Notices.** All notices, elections, consents, approvals, demands, objections, requests or other communications which Seller or Buyer may be required or desire to give pursuant to, under or by virtue of this Agreement (collectively, "**Notices**") must be in writing and sent by (a) first class U.S. certified mail, return receipt requested, with postage prepaid, or (b) express mail or courier (same day or next day delivery), addressed to the respective party at the address for each first set forth above. Seller or Buyer may designate another addressee or change its address for notices and other communications hereunder by a notice given to the other in the manner provided in this Section 29. A notice or other communication shall be deemed to have been properly sent and given when received by the addressee.

To Buyer:

County of Los Angeles  
Chief Executive Office  
Real Estate Division  
222 South Hill Street, 3rd Floor  
Los Angeles, CA 90012  
Attn: Acting Senior Manager, Real Estate Division

With a copy to:

County of Los Angeles  
Office of the County Counsel  
648 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012  
Attn: Property Division

To Seller:

Owners of 1190 and 1198 Durfee Ave.  
c/o Whittier Narrows Business Park  
16027 Ventura Boulevard, Suite 550  
Encino, CA 91436  
Attention: David Loth

With a copy to:

Greystone Law Group LLP  
1600 Rosecrans Avenue, Suite 400  
Manhattan Beach, CA 90266  
Attention: Adam Mindle

30. **No Modification.** This Agreement constitutes the entire agreement between the parties hereto with respect to the transactions contemplated hereby and supersedes all prior understandings or agreements between the parties as to the subject matter hereof. No term or provision of this Agreement may be changed or waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought.

31. **Rights of Title Company.** If there is any dispute as to whether the Title Company is obligated to deliver any monies and/or documents which it now or hereafter holds, (collectively, the "**Escrowed Property**") or as to whom any Escrowed Property are to be delivered, the Title Company shall not be obligated to make any delivery, but, in such event, may hold same until receipt by the Title Company of an authorization, in writing, signed by all of the parties having an interest in such dispute directing the disposition of same; or, in the absence of such authorization, the Title Company may hold any Escrowed Property until the final determination of the rights of the parties in an appropriate proceeding. Within three (3) Business Days after receipt by the Title Company of a copy of a final judgment or order of a court of competent jurisdiction, certified by the clerk of such court or other appropriate official, the Escrowed Property shall be delivered as set forth in such judgment or order. A judgment or order under this Agreement shall not be deemed to be final until the time within which to take an appeal therefrom has expired and no appeal has been taken, or until the entry of a judgment or order from which no appeal may be taken. If such written authorization is not given or proceeding for such determination is not begun and diligently continued, the Title Company shall have the right to bring an appropriate action or proceeding for leave to deposit the Escrowed Property in court, pending such determination. In the event that the Title Company places any Escrowed Property in the registry of the governing court in and for Los Angeles County, California and files an action of, interpleader, naming the parties hereto, the Title Company shall be released and relieved from any and all further obligation and liability hereunder or in connection herewith. If, without gross negligence on the part of the Title Company, the Title Company shall become a party to any controversy or litigation with respect to the Escrowed Property or any other matter respecting this Agreement, Seller and Buyer shall jointly and severally hold Title Company harmless from any damages or losses incurred by Title Company by reason of or in connection with such controversy or litigation. The provisions of this **Section 31** shall survive the Closing or termination of this Agreement.

32. **Joint and Several Liability.** All individuals and entities constituting Seller hereunder shall be jointly and severally liable for the faithful performance of all terms and conditions, obligations, covenants and agreements hereof to be performed by Seller.

33. **Cooperation.** Each party agrees to cooperate fully at no out-of-pocket cost to such cooperating party and to take all additional reasonable actions that may be necessary or appropriate to give full force and effect to the terms and intent of this Agreement including, without limitation, the execution of any further documents necessary to effectuate the transactions contemplated by this Agreement.

**IN WITNESS WHEREOF**, Seller and Buyer have caused this Agreement to be executed and delivered, as of the Effective Date.

**"Seller"**

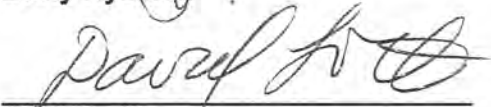
**Jewish Community Foundation of the Jewish  
Federation-Council of Greater Los Angeles, a California  
non-profit corporation**

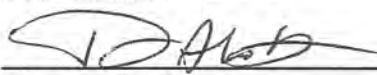
By: 

David Carroll  
CFO/ SR. VP Finance and Administration

  
Zvi Ryzman

  
Betty Ryzman

  
David Loth

  
Theresa Loth

**"Buyer"**

**COUNTY OF LOS ANGELES,  
a body politic and corporate**

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

Sachi A. Hamai  
Chief Executive Officer

APPROVED AS TO FORM:  
MARY C. WICKHAM  
County Counsel

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

Deputy

#### LIST OF EXHIBITS

Exhibit "A"	Due Diligence Materials
Exhibit "B"	Legal Description of the Property
Exhibit "C"	Grant Deed
Exhibit "D"	Repair and Maintenance Items
Exhibit "E"	General Assignment
Exhibit "F"	ROFO Memorandum
Exhibit "G"	Amended and Restated CC&Rs



## EXHIBIT "A"

### DESCRIPTION OF DUE DILIGENCE MATERIALS

The Due Diligence Materials shall contain each of the following, but only to the extent that they exist and are in Seller's or Seller's property manager's possession or control (but excluding Seller's internal memoranda, attorney-client privileged materials, internal appraisals and economic evaluations of the Property, and reports regarding the Property prepared by Seller or its affiliates solely for internal use or for the information of the investors in Seller):

- a. Capital expenditure history for the last three full calendar years prior to the year in which the Agreement is executed.
- b. Tax bills for the Property for the last three full calendar years prior to the year in which the Agreement is executed, together with the tax bill for the current year.
- c. Environmental, asbestos, soils, structural and physical inspection reports prepared by third party consultants for the Property (provided that Seller may require Buyer to execute a customary "no-reliance" letter as a condition to delivery of any third party consultant report).
- d. Building plans and specifications.
- e. Copies of "Permits" and operating licenses for the Property. **"Permits"** means permits, licenses, approvals, entitlements and other governmental authorizations (including certificates of occupancy) required in connection with the ownership, planning, development, construction, use, operation or maintenance of the Property.
- f. The Title Report/Commitment, together with underlying documents and any surveys of the Property.
- g. The existing Survey of the Property, if any.

**EXHIBIT "B"**

**LEGAL DESCRIPTION**

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

**PARCEL A:**

PARCEL 1 OF PARCEL MAP NO. 72234, IN THE CITY OF SOUTH EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 380, PAGES 6 THROUGH 10, INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, HYDROCARBON, ASPHALT, MINERALS, MINERAL AND OTHER SUBSURFACE RIGHTS IN AND UNDER SAID LAND, BUT WITHOUT THE RIGHT OF ENTRY ON THE SURFACE OF ABOVE 500 FEET BELOW THE SURFACE AS GRANTED IN FAIX INC., A CORPORATION, BY DEED RECORDED MAY 19, 1969 AS INSTRUMENT NO. 2140, BOOK D4373, PAGE 948 OF OFFICIAL RECORDS.

**PARCEL B:**

A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS OVER THAT PORTION OF LOT 4 OF TRACT 2377, IN THE CITY OF SOUTH EL MONTE, AS PER MAP RECORDED IN BOOK 23, PAGES 107 AND 108 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE WESTERLY LINE OF PECK ROAD, 100.00 FEET WIDE, SAID WESTERLY LINE AT SAID POINT BEING THE ARC OF A CURVE CONCAVE EASTERLY HAVING A RADIUS OF 2050.00 FEET, SAID POINT BEING DISTANT SOUTHERLY 128.33 FEET, MEASURED ALONG THE ARC OF SAID CURVE, FROM THE SOUTHEASTERLY CORNER OF THE LAND DESCRIBED IN PARCEL 2 OF THE DEED TO THE STATE OF CALIFORNIA, RECORDED JUNE 12, 1964 AS INSTRUMENT NO. 1776, IN BOOK D2507, PAGE 391 OF OFFICIAL RECORDS, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 82° 49' 11" WEST;

THENCE SOUTHERLY ALONG SAID WESTERLY LINE OF PECK ROAD, THROUGH A CENTRAL ANGLE OF 0° 30' 11" AN ARC DISTANCE OF 18.00 FEET;

THENCE SOUTH 86° 39' 23" WEST 50.00 FEET;

THENCE NORTH 66° 25' 36" EAST 51.92 FEET TO THE POINT OF BEGINNING.

**PARCEL C:**

A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS OVER THAT PORTION OF PARCEL 2 OF SAID PARCEL MAP, AS SHOWN AND DELINEATED AS PRIVATE DRIVE AND FIRE LANE ON THE MAP OF SAID PARCEL MAP.

EXCEPT THEREFROM ANY PORTION WITHIN PARCEL "A" DESCRIBED ABOVE.

APN(s): 8119-008-171

EXHIBIT B