AGN. NO. _____

MOTION BY SUPERVISOR ZEV YAROSLAVSKY May 19. 2009

The County of Los Angeles (County) owns a 37,597 square foot office building (Building) on 29,860 square feet of land located at 10961 Pico Boulevard in the City of Los Angeles (Property) that is vacant and considered surplus to any present or foreseeable County needs. The Building formerly served as an office for the Department of Public Social Services (DPSS). Due to the functional obsolescence of the Building, the program was relocated to a new, leased facility at 11110 Pico Boulevard which was specifically designed for the services provided by DPSS.

On March 27, 2007, under the authority of Section 26227 of the Government Code, the County approved an Option Agreement for Sale of Real Property (Option Agreement) that granted Menorah Housing Foundation (Menorah), a non-profit, non-sectarian organization that constructs and manages affordable housing developments with a focus on senior citizens, an option to purchase the Property for the purpose of developing approximately 46 units of affordable housing for very low-income seniors (Project).

Menorah's exercise of its option to purchase the Property was predicated upon several conditions that have since been satisfied, including among other things: (i) securing financing commitments from lenders to construct the Project, (ii) securing approval from the City of Los Angeles (City) to build the Project, (iii) obtaining an environmental finding by the City as lead agency that the Project is in compliance with the California Environmental Quality Act (CEQA), and (iv) payment of an option fee.

MOTION

MOLINA _____

RIDLEY-THOMAS _____

YAROSLAVSKY _____

ANTONOVICH _____

KNABE _____

On December 12, 2007 Menorah created the Pico Veteran Senior Citizen Housing Corporation (Pico Veteran), a non-profit public benefit corporation, as required by the Department of Housing and Urban Development, to be the legal owner of the residential portion of the Project. Menorah will be the owner of the commercial portion of the Project.

Upon exercise of the option, Menorah and Pico Veteran will purchase the Property for its appraised value of $2,000,000. The purchase price consists of $400,000 in cash, $5,000 of which has been paid by Menorah as an option fee for the commercial portion. The remaining $1,600,000 will be paid in the form of a Promissory Note payable over 55 years. The Loan Agreement and Promissory Note require Pico Veteran to provide rental housing for very low-income seniors on the Property. The residential portion will be financed by residual receipts promissory note (Promissory Note) and secured by a deed of trust executed by Pico Veteran (Deed of Trust).

The Board's approval of the Option Agreement did not constitute an activity which may cause a direct physical change in the environment, nor a reasonably foreseeable indirect physical change in the environment. However, the Board will need to make a finding that the sale of surplus County property to Menorah and Pico Veteran, upon the exercise of Menorah's option, is categorically exempt under Section 15312 of CEQA Guidelines.

As stated in the attached Option Agreement for the Property, the County will convey the Property to Menorah and Pico Veteran using two quitclaim deeds. A portion of the Property conveyed for the purchase price of $395,000 will be used for Menorah's offices. The remainder portion of the Property, to be used as the senior residences, will be secured by the Promissory Note subject to the following conditions: (i) that the Property will be developed as a mixed-use, residential and commercial Project with approximately 46 residential units and no more than 10,000 square feet of office and community room space on the ground level; (ii) that over the entire mortgage term of 55 years, 45 of the 46 residential units developed shall be affordable to

"very low income households" (one unit will be reserved for a resident manager), as said term is defined in Section 50105 of the Health and Safety Code; (iii) that over the entire mortgage term of 55 years, the residential portion of the Project shall be leased only to seniors 62 years of age and older; and (iv) that the foregoing restrictions shall be contained in the Deed of Trust and regulatory agreement recorded against the Property.

The County has requested the Housing Authority of the County of Los Angeles (Housing Authority), which has extensive experience managing affordable housing projects for the County, to provide consultant services to the County's Chief Executive Office (CEO) by overseeing all present and future administrative functions concerning this Project. These functions will include the negotiation, execution, and monitoring of the Loan Agreement, the Deed of Trust securing the Promissory Note, the Covenants, Conditions and Restrictions, and any other related documents. Additionally, the Housing Authority will monitor the loan and review submitted audited annual financial statements to ensure compliance with loan terms. The Housing Authority will also provide an annual monitoring report to the CEO detailing Pico Veteran's compliance with the terms and conditions of the Promissory Note and Deed of Trust for a one-time fee of $20,930. The costs for the Housing Authority's consultant services, any future administrative functions that may be required, and monitoring the Property on an annual basis will be reimbursed to the Housing Authority from the purchase price of the Property up to $40,000.

THEREFORE, AS AUTHORIZED BY GOVERNMENT CODE SECTION 26227, **I, THEREFORE, MOVE** that the Board of Supervisors:

1. Find that the County-owned real Property, as shown on the attached map and legally described in the Quitclaim Deeds, is no longer necessary for the County or other public purposes.

2. Certify that the Board, as a responsible agency under CEQA, has independently considered and reached its own conclusions regarding the environmental effects of the proposed Notice of Exemption developed by the City of Los Angeles as lead agency; determine that the attached document adequately addresses the environmental impacts of the proposed Project; and find that your Board has complied with the requirements of CEQA with respect to the process for a responsible agency and adopt, by reference, the City's Notice of Exemption.
3. Find that the sale of the surplus Property is categorically exempt under Section 15312 of CEQA Guidelines.
4. Find that use of the Property to provide rental housing affordable to very low-income seniors will serve public purposes.
5. Approve the sale of the County's right, title and interest in the property located at 10961 Pico Blvd. in the City Los Angeles to Menorah Housing Foundation and Pico Veteran Senior Citizen Housing Corporation, and instruct the Chairman to execute the attached Quitclaim Deeds.
6. Instruct the Auditor-Controller to deposit all of the proceeds generated by this transaction, with the exception of the funds to be reimbursed to the Housing Authority for its consultant services, into the existing Countywide Affordable Housing Fund, administered by the Housing Authority, to be used to supplement other affordable housing funding sources available to the County.

I FURTHER MOVE THAT THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES:

1. Find that the acceptance and incorporation of funds for reimbursement of consultant services for administrative activities associated with vacant surplus County-owned property located at 10961 Pico Boulevard in the City of Los Angeles is not subject to the

CEQA because the proposed activity is not defined as a project under CEQA and will not have the potential for causing a significant effect on the environment.

2. Authorize the Housing Authority to provide consultant services to the CEO by overseeing all present and future administrative functions concerning this Project, The Housing Authority will also monitor the loan and provide the CEO with an annual monitoring report of Pico Veteran's compliance with the Housing Authority's loan requirements.
3. Authorize the Housing Authority, as a consultant to the CEO, to negotiate, execute, and monitor the Loan Agreement, Promissory Note, and Deed of Trust in the amount of $1,600,000 mandating annual residual receipts payment. The Promissory Note is to be secured by a Deed of Trust recorded against Pico Veteran's fee interest.
4. Authorize the Housing Authority, as a consultant to the CEO, to negotiate, execute, and monitor a mortgage subordination agreement with a construction lender for the purpose of allowing the construction lender to finance the Project in a first lien position so long as the County approves all the terms and conditions of the construction loan, and to record against the Property a regulatory agreement requiring development of the Property with approximately 46 residential units affordable to "very low income households" leased only to seniors 62 years of age and older. The regulatory agreements will provide that notwithstanding the foregoing restrictions, in the event of a foreclosure under the construction loan, the purchaser would be required to develop the Property with residential units affordable to "lower income households" as defined in Health and Safety Code Section 50079.5 and leased only to seniors 62 years of age and older.
5. Authorize the Housing Authority, as a consultant to the CEO, to negotiate, execute, and monitor any other documents necessary to complete the sales transaction upon approval as to form by County Counsel.

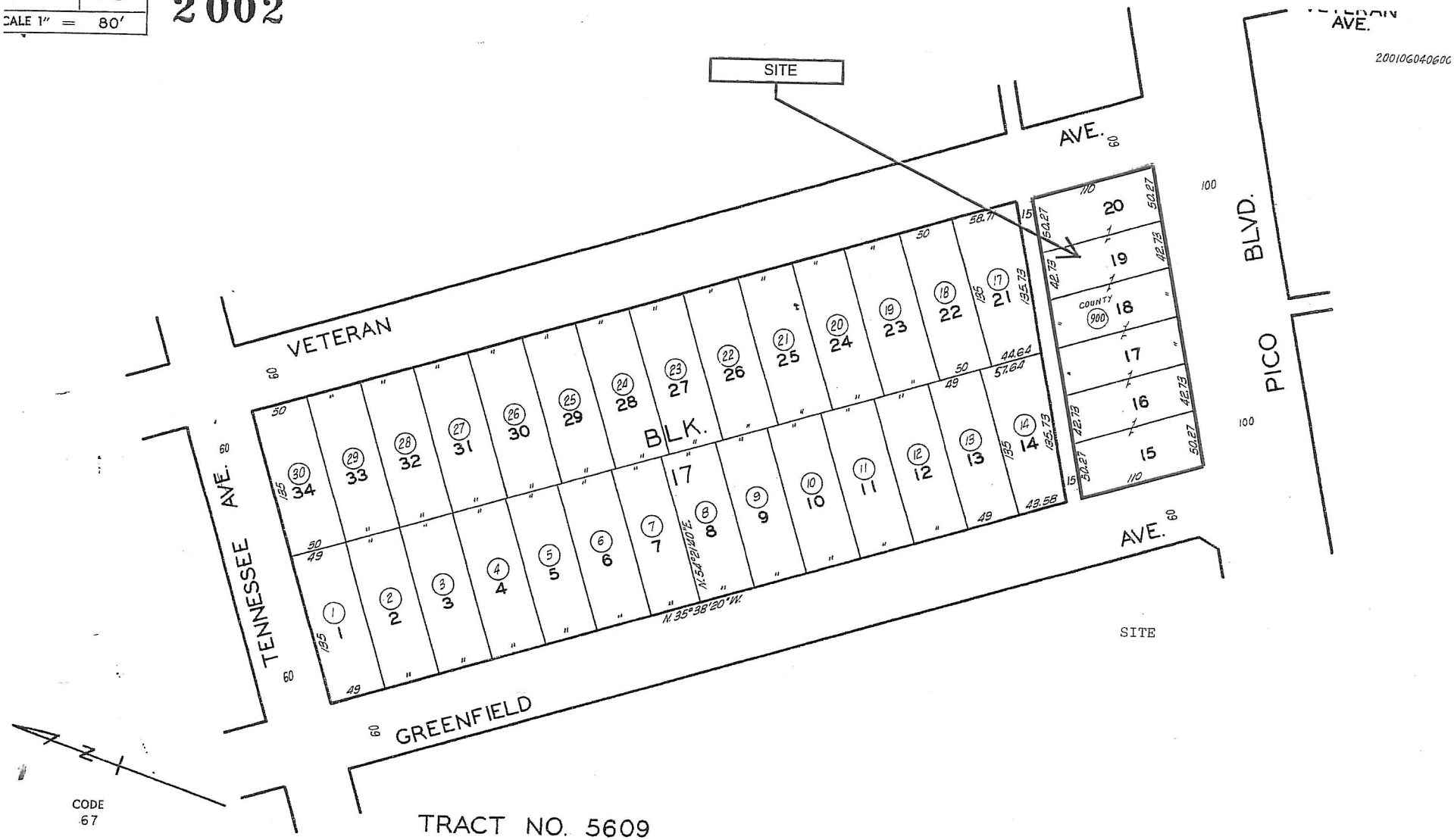
6. Authorize the Acting Executive Director to accept and incorporate up to $40,000 in the Housing Authority's Fiscal Year 2008-2009 approved budget, for administrative costs for the purposes described above.

VR S:/Motions/Menorah Housing

4322 | 10

SCALE 1" = 80'

2002



TRACT NO. 5609

M. B. 60-34-36

FOR PREV. ASSM'T. SEE: 655-13

ASSESSOR'S MAP
COUNTY OF LOS ANGELES, CALI

COUNTY CLERK'S USE

CITY CLERK'S USE

CITY OF LOS ANGELES
OFFICE OF THE CITY CLERK
200 NORTH SPRING STREET, ROOM 360
LOS ANGELES, CALIFORNIA 90012
CALIFORNIA ENVIRONMENTAL QUALITY ACT

NOTICE OF EXEMPTION

(California Environmental Quality Act Section 15062)

Filing of this form is optional. If filed, the form shall be filed with the County Clerk, 12400 E. Imperial Highway, Norwalk, CA 90650, pursuant to Public Resources Code Section 21152 (b). Pursuant to Public Resources Code Section 21167 (d), the filing of this notice starts a 35-day statute of limitations on court challenges to the approval of the project. Failure to file this notice with the County Clerk results in the statute of limitations being extended to 180 days.

LEAD CITY AGENCY
City of Los Angeles Department of City Planning

COUNCIL DISTRICT
5

PROJECT TITLE
* Pico / Veteran

LOG REFERENCE
ENV-2007-1540-CE

PROJECT LOCATION
* 10961 W. Pico Blvd., Los Angeles, CA

DESCRIPTION OF NATURE, PURPOSE, AND BENEFICIARIES OF PROJECT:
* See Attached

NAME OF PERSON OR AGENCY CARRYING OUT PROJECT, IF OTHER THAN LEAD CITY AGENCY:
* Menorah Housing Foundation

CONTACT PERSON
* Anne Friedrich

AREA CODE
* 310

TELEPHONE NUMBER
* 475-6083

EXT.

EXEMPT STATUS: (Check One)

	STATE CEQA GUIDELINES	CITY CEQA GUIDELINES
☐ MINISTERIAL	Sec. 15268	Art. II, Sec. 2b
☐ DECLARED EMERGENCY	Sec. 15269	Art. II, Sec. 2a (1)
☐ EMERGENCY PROJECT	Sec. 15269 (b) & (c)	Art. II, Sec. 2a (2) & (3)
✔ CATEGORICAL EXEMPTION	Sec. 15300 *et seq.*	Art. III, Sec. 1

Class _____ Category _____ (City CEQA Guidelines)

☐ OTHER (See Public Resources Code Sec. 21080 (b) and set forth state and City guideline provision.

JUSTIFICATION FOR PROJECT EXEMPTION:
Urban Infill Project, Affordable Senior Housing, No Impacts

IF FILED BY APPLICANT, ATTACH CERTIFIED DOCUMENT ISSUED BY THE CITY PLANNING DEPARTMENT STATING THAT THE DEPARTMENT HAS FOUND THE PROJECT TO BE EXEMPT.

SIGNATURE [signature] TITLE Chief Zoning Administrator DATE 3/29/07

FEE: $57.00 RECEIPT NO. 265666 REC'D. BY SM DATE 3/29/07

DISTRIBUTION: (1) County Clerk, (2) City Clerk, (3) Agency Record
Rev. 11-1-03

IF FILED BY THE APPLICANT:

* Craig Lawson (for Anne Friedrich)
NAME (PRINTED)

* [signature]
SIGNATURE

* 3/28/07
DATE

RESIDENTIAL PROPERTY QUITCLAIM

RECORDING REQUESTED BY:
County of Los Angeles
AND MAIL TO:

PICO VETERAN SENIOR CITIZEN
HOUSING CORPORATION
10780 Santa Monica Boulevard, Suite 260
Los Angeles, CA 90025

Space above this line for Recorders use

TAX PARCEL: 4322-010-900

DOCUMENTARY TRANSFER TAX

COUNTY OF LOS ANGELES $_____

CITY OF LOS ANGELES $_____

TOTAL TAX $_____

---COMPUTED ON FULL VALUE OF PROPERTY CONVEYED
---OR COMPUTED ON FULL VALUE LESS LIENS AND ENCUMBRENCES REMAINING, AT TIME OF SALE

_____
Signature of Declarant or Agent determining tax

COUNTY OF LOS ANGELES
Firm Name

QUITCLAIM DEED

The COUNTY OF LOS ANGELES, a body corporate and politic, for a Residual Receipt Note in the sum of One Million Six Hundred Thousand and NO/100 Dollars ($1,600,000) receipt of which is hereby acknowledged, and is secured by a deed of trust, does hereby surrender, quitclaim and release to: Pico Veteran Senior Citizen Housing Corporation, a California nonprofit public benefit corporation ("Grantee") all of the County's right, title and interest in and to the described real property, ("Property") reserving and excepting to the County all oil, gas, hydrocarbons, and other minerals in and under the Property without the right to the use of the surface or subsurface to a depth of 500 feet, measured vertically from the surface of the Property.

The Property is located in the City of Los Angeles, County of Los Angeles, State of California and is more particularly described in the attached Exhibit A which is incorporated herein by reference as though set forth in full.

ATTEST: SACHI A. HAMAI
EXECUTIVE OFFICER
CLERK OF THE BOARD OF SUPERVISORS
By _____, Deputy

SUBJECT TO AND BUYER TO ASSUME:

a. All taxes, interest, penalties and assessments of record, if any.
b. Covenants, conditions, restrictions, reservations, easements, rights and rights-of-way of record, if any.
c. The restrictions and covenants outlined in Exhibit B attached hereto and incorporated herein by this reference.

Dated: 5/19/09

COLA LOG NO. _____

COUNTY OF LOS ANGELES

By: _____
Don Knabe
Chairman, Board of Supervisors

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of Los Angeles

On May 21, 2009 (Date) before me, — Angie Montes, Notary — (Here Insert Name and Title of the Officer),

personally appeared — Emma De Jesus — (Name(s) of Signer(s)),

who proved to me on the basis of satisfactory evidence to be the person(~~s~~) whose name(~~s~~) is/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he~~/she/~~they~~ executed the same in ~~his~~/her/~~their~~ authorized capacity(~~ies~~), and that by ~~his~~/her/~~their~~ signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Angie Montes (Signature of Notary Public)

ANGIE MONTES
Commission # 1823024
Notary Public - California
Los Angeles County
My Comm. Expires Nov 16, 2012

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Quitclaim Deed

Document Date: May 19, 2009 Number of Pages: 5

Signer(s) Other Than Named Above: None

Capacity(ies) Claimed by Signer(s)

Signer's Name: Emma De Jesus
- ☐ Individual
- ☐ Corporate Officer — Title(s):
- ☐ Partner — ☐ Limited ☐ General
- ☐ Attorney in Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☒ Other: Deputy

Signer Is Representing: Los Angeles County Board of Supervisors

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer's Name:
- ☐ Individual
- ☐ Corporate Officer — Title(s):
- ☐ Partner — ☐ Limited ☐ General
- ☐ Attorney in Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other:

Signer Is Representing:

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

©2007 National Notary Association • 9350 De Soto Ave., P.O. Box 2402 • Chatsworth, CA 91313-2402 • www.NationalNotary.org Item #5907 Reorder: Call Toll-Free 1-800-876-6827

RESIDENTIAL

EXHIBIT A

Legal Description

Note: All elevations hereinafter mentioned refer to the NGVD 1929, City of Los Angeles Bench Mark no. 11350, adjusted 1985 to an elevation of 174.898'

Parcel 1
Those portions of Lots 16 through 20, inclusive, in Block 17 of Tract No. 5609 in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 60, Pages 34 through 36, inclusive, of Maps, in the office of the County Recorder of Los Angeles County, described as follows:

Commencing at the most northwesterly corner of Lot 15,
Thence, S 35°38'16" E 2.51 feet along the westerly line of said Lot 15 of said Tract No. 5609 said line also being the easterly line of Greenfield Avenue, 60 feet wide;
Thence, N 60°18'04" E 91.10 feet parallel to and 2.50 feet southerly measured at right angles from the northerly line of said Lot 15, to the TRUE POINT OF BEGINNING;
Thence, S 29°47'35" E 19.42 feet;
Thence, S 60°12'25" W 19.92 feet;
Thence, S 29°47'35" E 47.00 feet;
Thence, N 60°12'25" E 77.83 feet;
Thence, S 29°47'35" E 12.00 feet;
Thence, N 60°12'25" E 12.13 feet;
Thence, S 29°47'35" E 26.61 feet to the point of intersection with a line parallel to and 2.00 feet northerly measured at right angles from the northerly line of Pico Boulevard, 100 feet wide;
Thence, parallel to said northerly line of Pico Boulevard, N 60°18'30" E 97.09 feet to the beginning of a tangent curve concave westerly having a radius of 20.00 feet;
Thence, counterclockwise along last said curve, through a central angle of 95°56'57" and an arc length of 33.49 feet to the point of intersection with a line parallel to and 2 feet westerly measured at right angles from the westerly line of Veteran Avenue, 60 feet wide;
Thence, parallel to said Veteran Avenue N 35°38'27" W 83.30 feet to the point of intersection with a line parallel to and 2.50 feet southerly measured at right angles from the northerly lines of said Lots 16, 17, 18, 19, and 20;
Thence, parallel to last said northerly lines S 60°18'04" W 178.58 feet to the TRUE POINT OF BEGINNING for this description ;

Together with that portion of said Lots 15 trough 18, inclusive, in Block 17 of Tract No. 5609, lying above the elevation of 185.85 feet of said Tract No. 5609 described as follows:
Commencing at the most northwesterly corner of said Lot 15,
Thence, S 35°38'16" E 2.51 feet along the westerly line of said Lot 15 said line also being the easterly line of Greenfield Avenue, 60 feet wide;
Thence, N 60°18'04" E 71.18 feet parallel to and 2.50 feet southerly measured at right angles from the northerly line of said Lot 15, to the TRUE POINT OF BEGINNING;
Thence, S 60°18'04" W 71.18 feet to said easterly line of Greenfield Avenue,
Thence, southerly along said easterly line of Greenfield Avenue S 35°38'16" E 87.43 feet, to the beginning of a tangent curve concave northerly having a radius of 20.00 feet;
Thence, leaving said easterly line of Greenfield Avenue, counterclockwise along last said curve, through a central angle of 84°03'14" and an arc length of 29.34 feet to the point of intersection with a line 2.00 feet northerly of the northerly line of Pico Boulevard, 100 feet wide, measured at right angles from said northerly line;
Thence, parallel to the said northerly line of Pico Boulevard N 60°18'30" E 132.38 feet;
Thence, N 29°47'35" W 26.61 feet;
Thence, S 60°12'25" W 12.13 feet;
Thence, N 29°47'35" W 12.00 feet;
Thence, S 60°12'25" W 77.83 feet;
Thence, N 29°47'35" W 66.45 feet; to a point on a line parallel to and 2.50 feet southerly measured at right angles from said

northerly line of said Lot 15,
being the TRUE POINT OF BEGINNING.

Together with that portion of Lot 16, in Block 17 of Tract No. 5609 in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 60, Pages 34 through 36, inclusive, of Maps, in the office of the County Recorder of Los Angeles County, lying above the elevation of 187.85 feet, described as follows:
Commencing at the most northwesterly corner of said Lot 15, of said Tract No. 5609
Thence, S 35°38'16" E 2.51 feet along the westerly line of said Lot 15 said line also being the easterly line of Greenfield Avenue, 60 feet wide;
Thence, N 60°18'04" E 91.10 feet to the point of intersection with a line parallel to and 2.50 feet southerly measured at right angles from the northerly line of said Lot 15, to the TRUE POINT OF BEGINNING;
Thence, S 60°18'04" W 19.92 feet to the point of intersection with a line parallel to and 2.50 feet away measured at right angles from the northerly line of said Lot 15;
Thence S 29°47'35" E 19.45 feet;
Thence N 60°12'25" E 19.92 feet;
Thence N 29°47'35" W 19.42 feet to the point of intersection with a line parallel to and 2.50 feet away measured at right angles from the northerly line of said Lot 15
to the TRUE POINT OF BEGINNING for this description.

Parcel 2
Those portions of Lots 16 through 20, inclusive, in Block 17 of Tract No. 5609 in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 60, Pages 34 through 36, inclusive, of Maps, in the office of the County Recorder of Los Angeles County, described as follows:

BEGINNING at the most northwesterly corner of said Lot 15;
Thence, S 35°38'16" E 2.51 feet along the westerly line of said Lot 15 said line also being the easterly line of Greenfield Avenue, 60 feet wide;
Thence parallel to the northerly line of said Lot 15 N 60°18'04" E 269.68 feet to the point of intersection with a line parallel to and 2.00 feet westerly measured at right angles from the westerly line of Veteran Avenue, 60 feet wide;
Thence, parallel to said Veteran Avenue S 35°38'27" E 83.30 feet,
to the beginning of a tangent curve concave westerly having a radius of 20.00 feet;
thence clockwise along last said curve, through a central angle of 95°56'57" and an arc length of 33.49 feet to the point of intersection with a line parallel to and 2.00 feet northerly from the northerly line of Pico Boulevard, 100 feet wide, measured at right angles from said northerly line;
thence parallel to the northerly line of said Pico Boulevard S 60°18'30" W 229.47 feet,
to the beginning of a tangent curve concave northerly having a radius of 20.00 feet;
thence clockwise along last said curve, through a central angle of 84°03'14" and an arc length of 29.34 feet to a point on the easterly line of Greenfield Avenue, 60 feet wide;
thence S 35°38'16" E 20.04 feet along said easterly line of Greenfield Avenue to the northerly line of said Pico Boulevard;
thence N 60°18'30" E 271.70 feet along said northerly line of Pico Boulevard to the westerly right-of-way of said Veteran Avenue;
thence N 35°38'27" W 110.01 feet along said westerly line of Veteran Avenue
thence S 60°18'04" W 271.69 feet along the northerly line of lots 15 through 20, inclusive, of said Tract 5609 to the POINT OF BEGINNING; Containing 0.04 acres, more or less.

PREPARED BY:
JSA, INC.
23801 CALABASAS RD., SUITE 2039
CALABASAS, CA 91302

May 8 2009

JOEL C. SILVERMAN — Date
R.C.E. 16844

REGISTERED PROFESSIONAL ENGINEER
JOEL CHRISTOPHER SILVERMAN
No. 16844
6-30-09
CIVIL
STATE OF CALIFORNIA

EXHIBIT B
RESTRICTIVE COVENANTS

1. Grantee shall develop the Property with a structure sufficient in size to accommodate 46 residential units plus required parking. Forty-five of the residential units developed shall be one-bedroom units which shall remain affordable to senior households as defined by the U.S. Department of Housing and Urban Development ("HUD") under its section 202 program during the 40 year period of the HUD capital advance and thereafter for an additional 15 years be affordable to senior citizens as defined in Civil Code Section 51.3 of very low-income as defined in section 50105 of the Health and Safety Code and shall be exclusively leased at all times during the 55-year mortgage term to such seniors.

2. The Property shall remain affordable in accordance with subsection 1 above for a period of 55 years from the date the Certificate of Occupancy is issued by the City of Los Angeles for the residential components of the project by the City of Los Angeles.

3. Notwithstanding anything to the contrary in this deed, if any provision of this deed tends to contradict, modify or in any way change the terms of the regulatory agreement encumbering the Property to be entered into between the Secretary of HUD and the Grantee, the terms of said regulatory agreement shall prevail and govern; or if any provision of this deed in any way tends to limit the Secretary of HUD in his administration of the Housing Act of 1959, as amended, or the Cranston-Gonzalez National Affordable Housing Act, or the regulations pursuant to HUD requirements under the HUD Section 202 program, this deed shall be deemed amended so as to comply with the Acts, Regulations and said regulatory agreement. No other amendment to this deed shall be effective without the prior written approval of the Secretary. Notwithstanding anything herein to the contrary, if the Secretary of HUD should take title to the Property through foreclosure, deed in lieu of foreclosure, or otherwise, all covenants, conditions and restrictions set forth in this deed shall cease and terminate and be of no further force and effect.

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

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

The undersigned hereby certifies that on this 19TH day of May, 2009, the facsimile signature of DON KNABE, Chairman, Board of Supervisors was affixed hereto as this official execution of the document. The undersigned further certifies that on this date, a copy of the document was delivered to the Chairperson of the Board of Supervisors of the County of Los Angeles.

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

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

By: _____
Deputy

APPROVED AS TO FORM:

ROBERT E. KALUNIAN
Acting County Counsel

By: Behnaz Jashakani
Deputy

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COMMERCIAL PROPERTY QUITCLAIM

RECORDING REQUESTED BY:
County of Los Angeles
AND MAIL TO:

Menorah Housing Foundation
10780 Santa Monica Boulevard, Suite 260
Los Angeles, CA 90025

Space above this line for Recorders use

TAX PARCEL: 4322-010-900

DOCUMENTARY TRANSFER TAX

COUNTY OF LOS ANGELES $_____

CITY OF LOS ANGELES $_____

TOTAL TAX $_____

---COMPUTED ON FULL VALUE OF PROPERTY CONVEYED
---OR COMPUTED ON FULL VALUE LESS LIENS AND ENCUMBRENCES REMAINING, AT TIME OF SALE

_____
Signature of Declarant or Agent determining tax

COUNTY OF LOS ANGELES
Firm Name

QUITCLAIM DEED

The COUNTY OF LOS ANGELES, a body corporate and politic, for the sum of Four Hundred Thousand and NO/100 Dollars ($400,000) receipt of which is hereby acknowledged, or is secured by a deed of trust, does hereby surrender, quitclaim and release to: Menorah Housing Foundation, a California nonprofit corporation ("Grantee") all of the County's right, title and interest in and to the described real property, ("Property") reserving and excepting to the County all oil, gas, hydrocarbons, and other minerals in and under the Property without the right to the use of the surface or subsurface to a depth of 500 feet, measured vertically from the surface of the Property.

The Property is located in the City of Los Angeles, County of Los Angeles, State of California and is more particularly described in the attached Exhibit A which is incorporated herein by reference as though set forth in full.

ATTEST: SACHI A. HAMAI
EXECUTIVE OFFICER
CLERK OF THE BOARD OF SUPERVISORS

By _____, Deputy

SUBJECT TO AND BUYER TO ASSUME:

a. All taxes, interest, penalties and assessments of record, if any.
b. Covenants, conditions, restrictions, reservations, easements, rights and rights-of-way of record, if any.
c. The restrictions and covenants outlined in Exhibit B attached hereto and incorporated herein by this reference.

Dated: 5/19/09

COLA LOG NO. _____

COUNTY OF LOS ANGELES

By: Don Knabe
Don Knabe
Chairman, Board of Supervisors

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Los Angeles

On May 21, 2009 (Date) before me, — Angie Montes, Notary — (Here Insert Name and Title of the Officer),

personally appeared — Emma De Jesus — (Name(s) of Signer(s)),

who proved to me on the basis of satisfactory evidence to be the person(~~s~~) whose name(~~s~~) is/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he~~/she/~~they~~ executed the same in ~~his~~/her/~~their~~ authorized capacity(~~ies~~), and that by ~~his~~/her/~~their~~ signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

ANGIE MONTES
Commission # 1823024
Notary Public - California
Los Angeles County
My Comm. Expires Nov 16, 2012

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Angie Montes (Signature of Notary Public)

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Quitclaim Deed

Document Date: May 19, 2009 Number of Pages: 4 Pages

Signer(s) Other Than Named Above: None

Capacity(ies) Claimed by Signer(s)

Signer's Name: Emma De Jesus

☐ Individual
☐ Corporate Officer — Title(s):
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☒ Other: Deputy

Signer Is Representing: Los Angeles County Board of Supervisors

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer's Name:

☐ Individual
☐ Corporate Officer — Title(s):
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other:

Signer Is Representing:

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

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COMMERCIAL

EXHIBIT A

Legal Description

Note: All elevations hereinafter mentioned refer to the NGVD 1929, City of Los Angeles Bench mark no. 11350, adjusted 1985 to an elevation of 174.898 feet.

Those portions of Lots 15 through 18, inclusive, in Block 17, lying below the elevation of 185.85 feet, of Tract No. 5609 in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 60, Pages 34 through 36, inclusive, of Maps, in the office of the County Recorder of Los Angeles County, described as follows:

Commencing at the most northwesterly corner of said Lot 15;
Thence, S 35°38'16" E 2.51 feet along the westerly line of said Lot 15 said line also being the easterly line of Greenfield Avenue, 60 feet wide;
Thence, N 60°18'04" E 71.18 feet parallel to and 2.50 feet southerly measured at right angles from the northerly line of said Lot 15, to the TRUE POINT OF BEGINNING;
Thence, parallel to the northerly line of said Lot 15 S 60°18'04" W 71.18 feet to said easterly line of Greenfield Avenue,
Thence, southerly along said easterly line of Greenfield Avenue S 35°38'16" E 87.43 feet, to the beginning of a tangent curve concave northerly having a radius of 20.00 feet;
Thence, leaving said easterly line of Greenfield Avenue, counterclockwise along last said curve, through a central angle of 84°03'14" and an arc length of 29.34 feet to the point of intersection with a line 2.00 feet from the northerly line of Pico Boulevard, 100 feet wide, measured at right angles from said northerly line;
Thence, parallel to the said northerly line of Pico Boulevard N 60°18'30" E 132.38 feet;
Thence, N 29°47'35" W 26.61 feet;
Thence, S 60°12'25" W 12.13 feet;
Thence, N 29°47'35" W 12.00 feet;
Thence, S 60°12'25" W 77.83 feet;
Thence, N 29°47'35" W 66.45 feet to the point of intersection with a line parallel to and 2.50 feet measured at right angles from said northerly line of said Lot 15,
being the TRUE POINT OF BEGINNING for this description.

Together with that portion of Lot 16, in Block 17 of Tract No. 5609 in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 60, Pages 34 through 36, inclusive, of Maps, in the office of the County Recorder of Los Angeles County, lying below the elevation of 187.85 described as follows:
Commencing at the most northwesterly corner of Lot 15, in Block 17 of said Tract No. 5609
Thence, S 35°38'16" E 2.51 feet along the westerly line of said Lot 15 said line also being the easterly line of Greenfield Avenue, 60 feet wide;
Thence, N 60°18'04" E 71.18 feet parallel to and 2.50 feet southerly measured at right angles from the northerly line of said Lot 15, to the TRUE POINT OF BEGINNING;
Thence, S 29°47'35" E 19.45 feet
Thence, N 60°18'04" E 19.92 feet
Thence N 29°47'35" W 19.42 feet to a point parallel to and 2.50 feet southerly measured at right angles from the northerly line of said Lot 15;
Thence S 29°47'35" W 19.92 feet to the TRUE POINT OF BEGINNING.

PREPARED BY:
JSA, INC.
23801 CALABASAS RD., SUITE 2039
CALABASAS, CA 91302

May 8 2009

JOEL C. SILVERMAN Date
R.C.E. 16844

REGISTERED PROFESSIONAL ENGINEER
JOEL CASPER SILVERMAN
No. 16844
6-30-09
CIVIL
STATE OF CALIFORNIA

EXHIBIT B
RESTRICTIVE COVENANTS
(COMMERCIAL)

1. Grantee shall develop the Property with a structure sufficient in size to accommodate no more than 5,000 square feet of office on the ground level plus appurtenant parking ("Project").

2. Upon Grantee's completion of construction of the Project, the first sale of the Property, provided such sale is to a bona-fide third party and the sales price is reflective of current market value as determined in Grantor's sole discretion, shall be subject to a split of the proceeds as follows:

a. The net sales proceeds shall be determined by deducting:

i. Grantee's original cost to construct;
ii. capital improvements made subsequent to completion of initial construction; and
iii. real estate commissions and other costs typically assessed to seller in a sales transaction.

b. The net proceeds shall be split 50/50 between Grantor and Grantee. Thereafter this restriction shall become void.

3. In the event that Grantor determines that the owner in possession is not complying with the restrictions set forth herein the Grantor shall give the owner in possession a thirty (30) day written notice of such owner's failure to comply with such restrictions. If the owner in possession fails to comply with such restrictions within such thirty (30) day period, all right, title and interest in and to the Property shall automatically revert back to Grantor and without any necessity of any other affirmative action on the part of Grantor.

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

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

The undersigned hereby certifies that on this 19TH day of MAY, 2009, the facsimile signature of DON KNABE, Chairman, Board of Supervisors was affixed hereto as this official execution of the document. The undersigned further certifies that on this date, a copy of the document was delivered to the Chairperson of the Board of Supervisors of the County of Los Angeles.

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

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

By: _____
DEPUTY

APPROVED AS TO FORM:

ROBERT E. KALUNIAN
Acting County Counsel

By: _____
Deputy

C:\Documents and Settings\CROM2009\Local Settings\Temporary Internet Files\OLK5C\COMMERCIAL PROPERTY QUITCLAIM for County.doc

76162

OPTION AGREEMENT FOR SALE OF REAL PROPERTY BY AND BETWEEN MENORAH HOUSING FOUNDATION AND THE COUNTY OF LOS ANGELES

This Option Agreement ("Agreement") is made and entered into this 8TH day of JUNE, 2007, by and between the MENORAH HOUSING FOUNDATION, a California corporation ("Menorah"), and the COUNTY OF LOS ANGELES, a body corporate and politic ("County").

RECITALS:

1. The County is owner of certain real property located at 10961 West Pico Boulevard, in the City of Los Angeles, County of Los Angeles, State of California, legally described in **Exhibit "A"**, attached hereto and incorporated herein by this reference, which is presently improved with a vacant 37,000 square foot three story office building and parking structure for at least 110 automobiles (hereinafter, the "Property");

2. Menorah and County agree that the Property is a suitable location for use as a development consisting of approximately 46 units of housing, 45 of which will be deemed affordable to senior citizens, with parking for at least 23 automobiles; and approximately 4,500 square feet of street level commercial space with parking for at least 9 automobiles (hereinafter the "Project");

3. Menorah desires an option to acquire the Property for the purposes outlined in Paragraph 2 above in accordance with the terms of this Agreement;

4. The parties hereby agree that Menorah's exercise of the option granted herein is predicated upon the following:
   - A. Menorah will secure approval to build the Project from the City of Los Angeles in the form of issuance of Ready to Issue building permits as that term is recognized by the City's Department of Building and Safety and a demolition permit from such Department to remove the existing improvements.
   - B. Menorah will obtain a capital advance funding award from the United States Department of Housing and Urban Development (HUD) under the Section 202 program or otherwise secure financing commitments from lenders or other sources under terms and conditions that will allow approximately 45 of the housing units to be developed as affordable to senior citizens of very low income (as that term is defined by the United States Department of Housing and Urban Development), in order to satisfy the requirements of Government Code section 26227 and other applicable law.
   - C. A purchase price of $2,000,000 allocated $400,000 to the commercial portion and $1,600.000 to the residential portion, consisting of option consideration of $5,000 to apply to the purchase price, a payment of $395,000 in cash on closing, and the

balance of $1,600,000 in the form of a residual Receipts Note secured by a Deed of Trust on the fee interest in the residential portions of the Project, such Note and Deed of Trust to be in a form acceptable to HUD.

D. An environmental finding that the Project is in compliance with the California Environmental Quality Act by the City of Los Angeles as lead agency.

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof, and for other good and valuable consideration, the parties hereto agree as follows:

1. Option Agreement.

1.1 Grant Option. This Agreement shall constitute an option affording Menorah the exclusive right to acquire the Property, subject to the terms contained herein, for the period set forth herein (the "**Option**"). Menorah shall pay a $5,000 non-refundable fee as consideration for this Option.

1.2 Option Term. This Option shall be exercisable by Menorah during an initial term commencing from the date of the execution of this Agreement, and terminating at 5:00 p.m., Pacific Standard Time (PST), on May 1, 2009 ("**Initial Term**"). This Option shall be automatically renewed and extended one (1) additional term of 365 days ("**Additional Term**"), provided Menorah is diligently pursing the jurisdictional approval necessary from the City of Los Angeles to build the Project and the financing necessary to construct the Project (pursuant to Recitals paragraph 4). The Additional Term of this Option shall terminate at 5:00 p.m., PST, on the 365th day unless extended in writing by the parties before that date and time.

1.3 Exercise of Option. Upon Menorah's election to exercise the exclusive Option to acquire the Property, the parties hereto, pursuant to Government Code section 26227 and other applicable law, will effectuate a transfer of the Property in exchange for payment as provided in sub-paragraph 1.4 below.

1.4 Purchase Price. Upon Menorah's exercise of its Option, the purchase price for the Property shall be $2,000,000 (the "Purchase Price") of which $5,000 collected pursuant to paragraph 1.1 above shall be credited towards the Purchase Price; $395,000 shall be paid in cash; and the remaining balance shall be secured by a Residual Receipt Note ("the Note") in the form attached as Exhibit "B." The Note shall be secured by a Deed of Trust and both the Note and the Deed of Trust shall be subject to HUD approval and shall be subordinate to the HUD or other construction or permanent financing documents. The $395,000 shall be paid in the form of a certified check payable to the County of Los Angeles ("Down Payment").

1.5 Contingencies. Menorah's exercise of its Option is subject to the following conditions:

1.5.1 Execution of this Agreement by the County's Board of Supervisors;

1.5.2 Within 90 days of the date first above written, Menorah shall submit an application to HUD for capital advance funding under the Section 202 Supportive Housing for the Elderly Program; or at the first funding opportunity of 2008, an application to the California Tax Credit Allocation Committee for an allocation of funds under the Low Income Housing Tax Credit Program, and/or to obtain other governmental and/or institutional funding for the Project as needed to develop the property for low-income senior housing;

1.5.3 County's receipt of written notification that financing has been secured sufficient to construct the Project (pursuant to Recitals paragraph 4);

1.6 Manner of Exercise of Option. Provided Menorah is not in default hereunder and the conditions set forth in paragraph 1.5 of this Section have been satisfied, Menorah may exercise its Option to acquire the Property by delivering written notice (pursuant to paragraph 5 herein below), to County of Menorah's exercise of its Option during the Initial Term or Additional Term (pursuant to paragraph 1.2).

1.7 Automatic Termination. In the event Menorah does not receive the financing necessary to construct the Project (pursuant to Recitals paragraph 4), by the date the Initial Term expires, or the Additional Term expires (pursuant to paragraph 1.2), the Option shall expire without any prior notice by Menorah or County, and all rights of Menorah in the Property shall then and there cease.

1.8 Failure to Exercise Option. In the event Menorah receives the financing during the Initial Term or the Additional Term and fails to exercise its Option in accordance with the terms herein by the expiration of the Initial Term or Additional Term, as applicable (pursuant to paragraph 1.2), Menorah shall not have any interest whatsoever in the Property.

2. Condition of Property.

2.1 "As Is" Sale. The parties each acknowledge that the Property being conveyed is being sold "as is" solely in reliance on Menorah's own investigation of the Property, and the improvements thereon, and that no representation or warranties of any kind whatsoever, express or implied, have been made with respect to the Property or the improvements thereon, by the County. Menorah has been given the full opportunity to inspect the Property and the improvements thereon prior to execution of this Agreement, and will be given the opportunity to re-inspect the Property prior to Closing. Menorah shall bear sole responsibility for the removal of all contaminated materials, toxic or hazardous substances, and asbestos, if any,

on the Property pursuant to the terms of this Agreement. Further, Menorah agrees that it shall not bring onto the Property any contaminated materials, toxic or hazardous substances, and/or asbestos prior to Closing.

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

2.3 Property License. Menorah hereby acknowledges that that a portion of the parking structure located on the Property is licensed for use for automobile parking, the provisions of which provide for cancellation at anytime upon 30 days written notice. Menorah will not cause the disruption of this use or County's right to collect rents derived from this use, nor will Menorah prohibit County from entering into future license agreements for the Property during the Initial Term or Additional Term (pursuant to paragraph 1.2) provided that such additional licenses contain a provision allowing cancellation upon 30 days notice. County agrees to give thirty (30) days notice of cancellation under any license agreement within ten (10) working days following exercise of the Option by Menorah.

3. Transfer of Property Interests.

3.1 Escrows. Upon Menorah's Exercise of its Option, the parties agree that County shall complete the closing and record the deed thereby acting as escrow holder ("Escrow Holder"), and this Agreement shall constitute the basic escrow instructions for the purpose of consummating the transactions contemplated by this Agreement.

County agrees that the documents to be recorded will be recorded by the title company issuing the new Owner(s) and lenders title insurance policies so that HUD or other lender documents can be recorded concurrently with the documents required by this Agreement and be recorded concurrently with the HUD initial closing

3.2 Execution of Additional Escrow Documents. Menorah shall execute and deliver to Escrow Holder, within two (2) business days after receipt, such additional documents as may be required to consummate the transactions contemplated by this Agreement.

3.3 County shall cause to be recorded a quitclaim deed for the Property in the form of Exhibit "C" duly executed and acknowledged by County and shall also cause to be recorded the Deed of Trust in the form approved by HUD duly executed and acknowledged by Menorah. Menorah shall be responsible for drafting the legal descriptions that will be used to accomplish the division of the Property into commercial and residential portions. Upon request of Menorah, County shall record separate Deeds for the residential and commercial parcels in

accordance with Section 8.13 hereof. Within 20 days of the date of Menorah's exercise of the Option, Menorah shall deposit with Escrow Holder the funds specified in paragraph 1.4 and the executed Residual Receipts Note and Deed of Trust. The quitclaim deed to the residential portion of the Property shall contain a use restriction that such portion of the Property developed for residential purposes shall remain affordable to senior households as defined by HUD under its section 202 program during the 40 year period of the HUD capital advance and thereafter for an additional 15 years be affordable to senior citizens as defined in Civil Code Section 51.3 of very low income. The commercial portion of the Project will have a restriction placed upon it providing that in the event the original owner sells the Property at any time following the completion of construction any profit made on the sale after expenses (which will be limited to original owner's cost of construction; capital improvements; real estate commissions paid and other costs typically assessed to seller in a sales transaction) will be split 50/50 between the County and the original owner. After the 55 year period these restrictions shall become void. Any deed restrictions on the residential portion of the Property shall comply with HUD requirements and be subject to HUD approval.

3.4 Condition of Title. Menorah understands that the Property is being sold without any warranty regarding the condition of title to the Property; Menorah accepts all matters of record and understands that County will not provide a policy of title insurance and makes no representations or warranties as to condition of title.

3.5 County's Conditions to Closing. County's obligation to consummate the transaction contemplated by this Agreement is conditioned upon Menorah's representations, warranties and covenants set forth in this Agreement being true and correct as of the Closing. Upon non-satisfaction of this condition, County shall allow Menorah a reasonable opportunity to cure by any reasonable method; if Menorah fails to cure, County may, in writing, terminate this Agreement and the parties shall have no further obligations pursuant to this Agreement.

3.6 Menorah's Conditions to Closing. Menorah's obligation to consummate the transaction contemplated by this Agreement is conditioned upon: (i) County's recordation of the Deed(s) for the Property and the Deed of Trust; (ii) County's representations, warranties and covenants being true and correct as of the Closing; and (iii) the approvals referred to in Recitals Section 4A and 4B have been obtained. Upon non-satisfaction of any one of the above conditions, Menorah shall allow County a reasonable opportunity to cure by any reasonable method; if County fails to cure, Menorah may, in writing, terminate this Agreement, and thereafter the parties shall have no further obligations pursuant to this Agreement.

3.7 Loss by Fire or Other Casualty. If, at any time during the period between the exercise of Menorah's Option and the Closing, the improvements on the Property or any part thereof, are destroyed or damaged, Menorah shall complete this

transaction. Furthermore, County shall not be obligated to repair or reconstruct any improvements on Property, however, if County elects to cause the repair or reconstruction of the loss, Menorah shall be entitled to conduct such inspections as it deems appropriate at all times during the course of the repair or reconstruction.

3.8 Closing. For purposes of this Agreement, the "Closing" shall be defined as the recordation of each of the Deed (s) and deed of Trust in the Official Records. The parties agree to use their best efforts to effect the Closing no later than thirty (30) business days following Menorah's exercise of its Option. The parties may agree in writing to extend the Closing beyond that date, if such an extension appears to either party to be necessary.

4. Possession.

4.1 Menorah's Possession of Property. Menorah shall be entitled to possession of the Property as of the Closing. County shall provide Menorah with keys or other means necessary to operate all locks and alarms on the Property. Prior to Closing Menorah shall be entitled to access the Property for purposes of performing due diligence related to investigation of the Property for the intended uses and for no other purposes. The parties agree to execute the Permit to Enter similar in format to the attached hereto as Exhibit D which is incorporated herein by this reference.

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

To County:
County of Los Angeles, Chief Administrative Office
Real Estate Division, Property Management Section
222 South Hill Street, 3rd Floor
Los Angeles, California 90012
Attention: Carlos Brea

With a Copy to:
County of Los Angeles, Office of County Counsel
Room 648 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012
Attention: Amy Caves

To Menorah:
10780 Santa Monica Boulevard, Suite 260
Los Angeles, CA 90025
Attention: Anne Friedrich

Notice shall be deemed, for all purposes, to have been given on the date of personal service or three (3) consecutive calendar days following the deposit of

the same with a carrier as specified above. Notice of change of address shall be given by written notice in the manner detailed in this paragraph.

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

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

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

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

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

7. Indemnification.

7.1 Menorah shall defend, indemnify, and hold County and County's elected and appointed officers, agents and employees free and harmless from and against any and all liabilities, damages, claims, costs and expenses (including without limitation, attorneys' fees, legal expenses and consultants' fees) arising from the negligence or willful misconduct of the Menorah or its officers, employees or agents relating to the performance of its obligations under the terms of this Agreement.

7.2 The indemnity provided County by this section shall survive Menorah's exercise of its Option, the transfer of property interests and construction of the Project.

During the term of the HUD capital advance any indemnity payment to be made by the owner of the residential portion of the project shall be payable only from residual receipts as defined in the HUD Regulatory Agreement and as approved by HUD.

8. General Provisions.

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

8.2 Survival of Covenants. The covenants, agreements, representations and warranties made herein are intended to survive the Closing and recordation and delivery of the Deed conveying the Property.

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

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

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

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

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

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

8.9 Severability. In the event any portion of this Agreement shall be declared by any court of competent jurisdiction to be invalid, illegal or unenforceable, such portion shall be severed from this Agreement and the remaining parts hereof shall remain in full force and effect as fully as though such invalid, illegal or unenforceable portion had never been part of this Agreement; provided that the remaining Agreement can be reasonably and equitably enforced.

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

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

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

8.13 Menorah, without further approval of County, shall have the option of taking title by deed from the County to the residential portion of the Property in the name of a single asset nonprofit corporation formed by Menorah to meet HUD requirements. Such single asset entity will execute the Residual Receipts Note (Exhibit "B") and Deed of Trust. Title to the commercial portion shall be vested in Menorah by a separate deed from the County

/ / / / SIGNATURE PAGE FOLLOWS / / / /

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

MENORAH HOUSING FOUNDATION

By: _____

Name: ANNE FRIEDRICH

Title: PRESIDENT

ATTEST:

SACHI A. HAMAI
Executive Officer of
The Board of Supervisors

By: _____
Deputy

COUNTY OF LOS ANGELES

By: _____
Chairman, Board of Supervisors

APPROVED AS TO FORM:

RAYMOND G. FORTNER
County Counsel

By: _____
Deputy County Counsel

OptiontoPurchase.MenorahHousing.

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

11 - MAR 27 2007

SACHI A. HAMAI
EXECUTIVE OFFICER

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Los Angeles } ss.

On 6/4/2007, before me, LILIAN PUDJOWIBOWO, NOTARY PUBLIC,
Date — Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Anne Friedrich,
Name(s) of Signer(s)

☐ personally known to me

☒ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he~~/she/~~they~~ executed the same in ~~his~~/her/~~their~~ authorized capacity(ies), and that by ~~his~~/her/~~their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

LILIAN PUDJOWIBOWO
Commission # 1547061
Notary Public - California
Los Angeles County
My Comm. Expires Jan 23, 2009

Place Notary Seal Above

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Option Agreement

Document Date: 6/4/07 Number of Pages: 10

Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)

Signer's Name:
☐ Individual
☐ Corporate Officer — Title(s):
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other:
Signer Is Representing:

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer's Name:
☐ Individual
☐ Corporate Officer — Title(s):
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
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☐ Other:
Signer Is Representing:

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

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EXHIBIT LIST

Exhibit "A"	Legal Descriptions of Parcels
Exhibit "B"	Residual Receipts Note
Exhibit "C"	Quitclaim Deeds
Exhibit "D"	Permit to Enter

EXHIBIT A
LEGAL DESCRIPTION

Lots 15 to 20 inclusive of Block 17 of Tract No. 5609 as shown on map recorded in Book 60, Pages 34, 35, and 36 of Maps, in the office of the Recorder of Los Angeles County

Prior to the conveyance of the property legal descriptions of the residential parcel and the commercial parcel of the property will be substituted for Exhibit A.

EXHIBIT "A" To Be Substituted Prior to Conveyance

BROOKS AND ASSOCIATES
SURVEYORS

3300 LEWIS AVENUE
SIGNAL HILL, CA 90755
BUS. (562) 595-9501

PROPOSED LEGAL DESCRIPTIONS

PARCEL A

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

Lots 19, 20 and portions of Lots 16, 17 and 18 of Block 17 of Tract No. 5609, in the City of Los Angeles, County of Los Angeles, State of California lying northeasterly of the following described line:
Beginning at a point in the southeasterly line of said Lot 18 distant thereron S 60 18'30" W 131.52 feet from the most easterly corner of said lot 20; thence Northwesterly at right angles to said southeasterly line a distance of 41.83 feet; thence Southwesterly and parallel to said southeasterly line a distance of 59.00 feet; thence Northwesterly perpendicular to said southeasterly line a distance of 67.56 feet, more or less, to a point of intersection with the Northwesterly line of Lot 16 of said Tract No. 5609, said point being distant thereon S 60 18'30" W 179.14 feet from the most northerly corner of said Lot 20.

PARCEL B

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

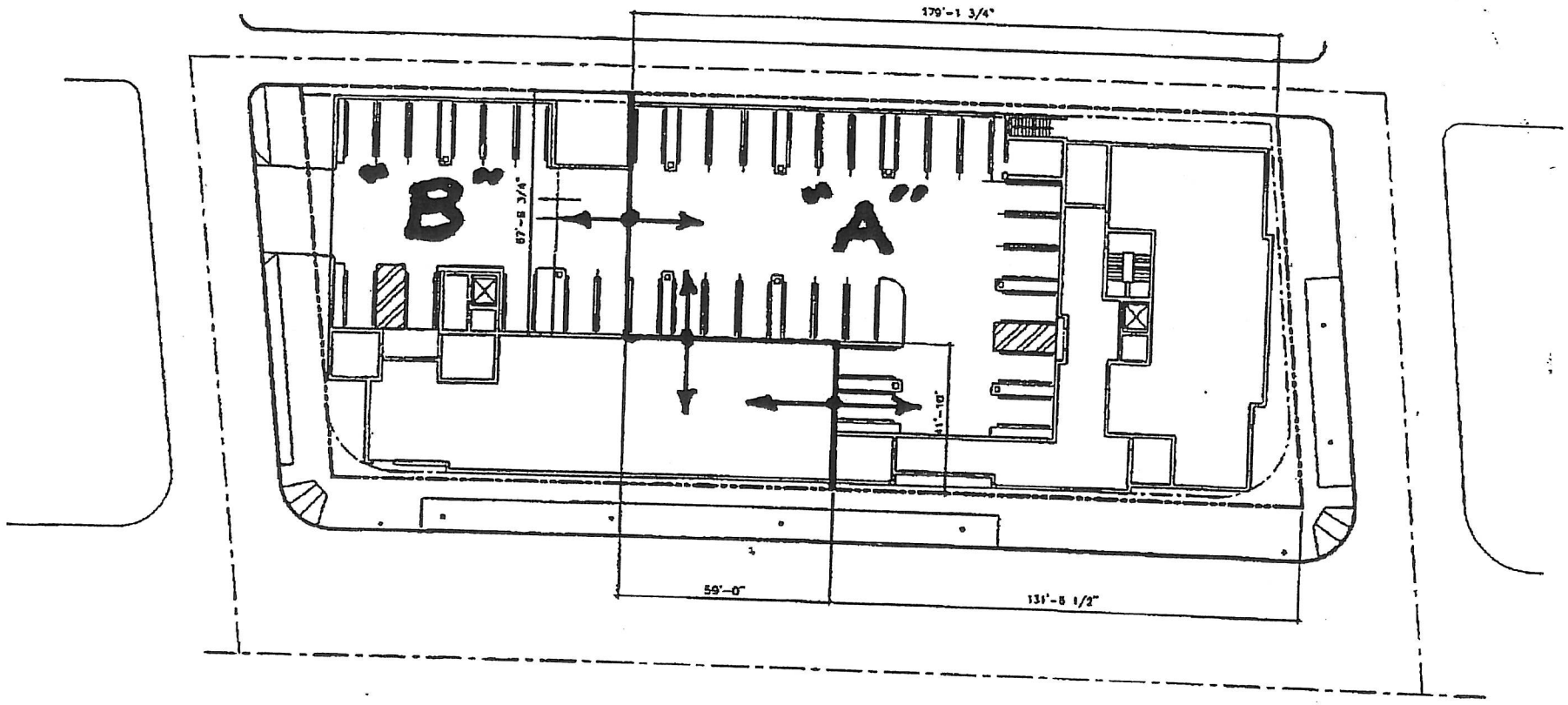
Lots 15, and portions of Lots 16, 17 and 18 of Block 17 of Tract No. 5609, in the City of Los Angeles, County of Los Angeles, State of California lying southwesterly of the following described line:
Beginning at a point in the southeasterly line of said Lot 18 distant thereron S 60 18'30" W 131.52 feet from the most easterly corner of said lot 20; thence Northwesterly at right angles to said southeasterly line a distance of 41.83 feet; thence Southwesterly and parallel to said southeasterly line a distance of 59.00 feet; thence Northwesterly perpendicular to said southeasterly line a distance of 67.56 feet, more or less, to a point of intersection with the Northwesterly line of Lot 16 of said Tract No. 5609, said point being distant thereon S 60 18'30" W 179.14 feet from the most northerly corner of said Lot 20.

Richard J. Brooks

Richard J. Brooks, P.L.S.

y 31, 2007

BROOKS & ASSOCIATES, SURVEYORS
3300 Lewis Avenue
Signal Hill, CA 90755-4706



PROPOSED SITE SPLIT (05/22/2007)

EXHIBIT "A"

FHA FORM NO. 1710
(Revised 2/69)
Modified 2-26-92 (ADR)

EXHIBIT "B"

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION

SECTION 202/811

RESIDUAL RECEIPTS NOTE
(Nonprofit Mortgagors) Project No.:

For value received, the undersigned maker promises to pay to the County of Los Angeles (payee) the principal sum of One Million Six Hundred Thousand Dollars ($1,600,000.00) or so much thereof as may be advanced, at 222 South Hill Street, Third Floor, Los Angeles, California 90012 with interest on the outstanding balance at the rate of *three percent (3%) per annum, which shall not be compounded, subject to the following conditions and limitations:

(1) Principal and interest on this note shall be due and payable fifty-five (55) years from the date of City Certificate of Occupancy or December 31, 2064 whichever last occurs but not before the maturity date of the note and deed of trust held by the Secretary of Housing and Urban Development ("Secretary") financing HUD Project No. _____, provided that if the aforesaid note is prepaid in full, the holder of this note, at its option and without notice, may declare the whole principal sum or any balance thereof, together with interest thereon, immediately due and payable.

(2) Prepayments to principal and interest on this note may be made only from the residual receipts fund, as that term is defined in the Regulatory Agreement between the maker and the Secretary executed in connection with the above project, and only after obtaining the prior written approval of the Secretary. Such prepayments may be made only after final closing on the note by the Secretary and after the end of a semiannual or an annual fiscal period.

(3) This note is non-negotiable and may not be sold, transferred, assigned, or pledged by the payee except with the prior written approval of the Secretary.

(4) This note is made and delivered in payment of costs not included in the capital advance.

Presentation, demand and notice of demand, non-payment and protest of this note are waived.

Executed this ____ day of _____, 200__

Attest:

_____

By: _____

The payee hereby certifies that this is a bona fide transaction and that it fully understands all the requirements of this note, and that no prepayment of principal or interest shall be accepted without evidence that the Secretary has authorized such prepayment. If an unauthorized prepayment is accepted, the funds shall be held by the payee in trust for the project.

COUNTY OF LOS ANGELES

By: _____

*Not to exceed the highest permissible rate established by the Secretary.

Approval to make repayment of this loan from Residual Receipts is hereby granted this _____ day of _____, 200___

_____

Assistant Secretary for Housing-Federal Housing Commissioner
by "Authorized Agent"

EXHIBIT C
RESIDENTIAL PROPERTY QUITCLAIM

RECORDING REQUESTED BY:
County of Los Angeles
AND MAIL TO:

Menorah Housing Foundation
10780 Santa Monica Boulevard, Suite 260
Los Angeles, CA 90025

_____ Space above this line for Recorder's use _____

TAX PARCEL: 4322-010-900

QUITCLAIM DEED

DOCUMENTARY TRANSFER TAX

COUNTY OF LOS ANGELES $_____

CITY OF _____ $_____

TOTAL TAX $_____

__ COMPUTED ON FULL VALUE OF PROPERTY CONVEYED,
__ OR COMPUTED ON FULL VALUE LESS LIENS AND ENCUMBRANCES REMAINING, AT TIME OF SALE.

_____
Signature of Declarant or Agent determining tax.

COUNTY OF LOS ANGELES
Firm Name

The **COUNTY OF LOS ANGELES, a body corporate and politic**, for a Residual Receipt Note in the sum of One Million Six Hundred Thousand and NO/100 Dollars ($1,600,000), receipt of which is hereby acknowledged, and is secured by a deed of trust, does hereby surrender, quitclaim and release to:

_____("Grantee")

all of the County's right, title and interest in and to the described real property, ("Property") reserving and excepting to the County all oil, gas, hydrocarbons, and other minerals in and under the Property without the right to the use of the surface or subsurface to a depth of 500 feet, measured vertically from the surface of the Property.

The Property is located in the City of Los Angeles, County of Los Angeles, State of California and is more particularly described in the attached Exhibit A which is incorporated herein by reference as though set forth in full.

SUBJECT TO AND BUYER TO ASSUME:

a. All taxes, interest, penalties and assessments of record, if any.
b. Covenants, conditions, restrictions, reservations, easements, rights, and rights-of-way of record, if any.
c. The restrictions and covenants outlined in Exhibit B attached hereto and incorporated herein by this reference.

Dated_____

COUNTY OF LOS ANGELES

COLA LOG NO. _____

By_____
Zev Yaroslavsky
Chairman, Board of Supervisors

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

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

The undersigned hereby certifies that on this _____ day of _____, 20__, the facsimile signature of _____, Chairman, Board of Supervisors was affixed hereto as the official execution of this document. The undersigned further certifies that on this date, a copy of the document was delivered to the Chairperson of the Board of Supervisors of the County of Los Angeles.

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

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

By_____

APPROVED AS TO FORM:

RAYMOND G. FORTNER
County Counsel

By_____
Deputy

EXHIBIT A
LEGAL DESCRIPTION

The residentially developed portion of Lots 15 to 20 inclusive of Block 17 of Tract No. 5609 as shown on map recorded in Book 60, Pages 34, 35, and 36 of Maps, in the office of the Recorder of Los Angeles County.

Prior to the conveyance of the property legal descriptions of the residential parcel of the property will be substituted for Exhibit A.

EXHIBIT "A" To Be Substituted Prior to Conveyance

BROOKS AND ASSOCIATES
SURVEYORS

3300 LEWIS AVENUE
SIGNAL HILL, CA 90755
BUS. (562) 595-9501

PROPOSED LEGAL DESCRIPTIONS

PARCEL A

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

Lots 19, 20 and portions of Lots 16, 17 and 18 of Block 17 of Tract No. 5609, in the City of Los Angeles, County of Los Angeles, State of California lying northeasterly of the following described line:
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All that certain real property situated in the County of Los Angeles, State of California, described as follows:

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Richard J. Brooks

Richard J. Brooks, P.L.S.

ly 31, 2007

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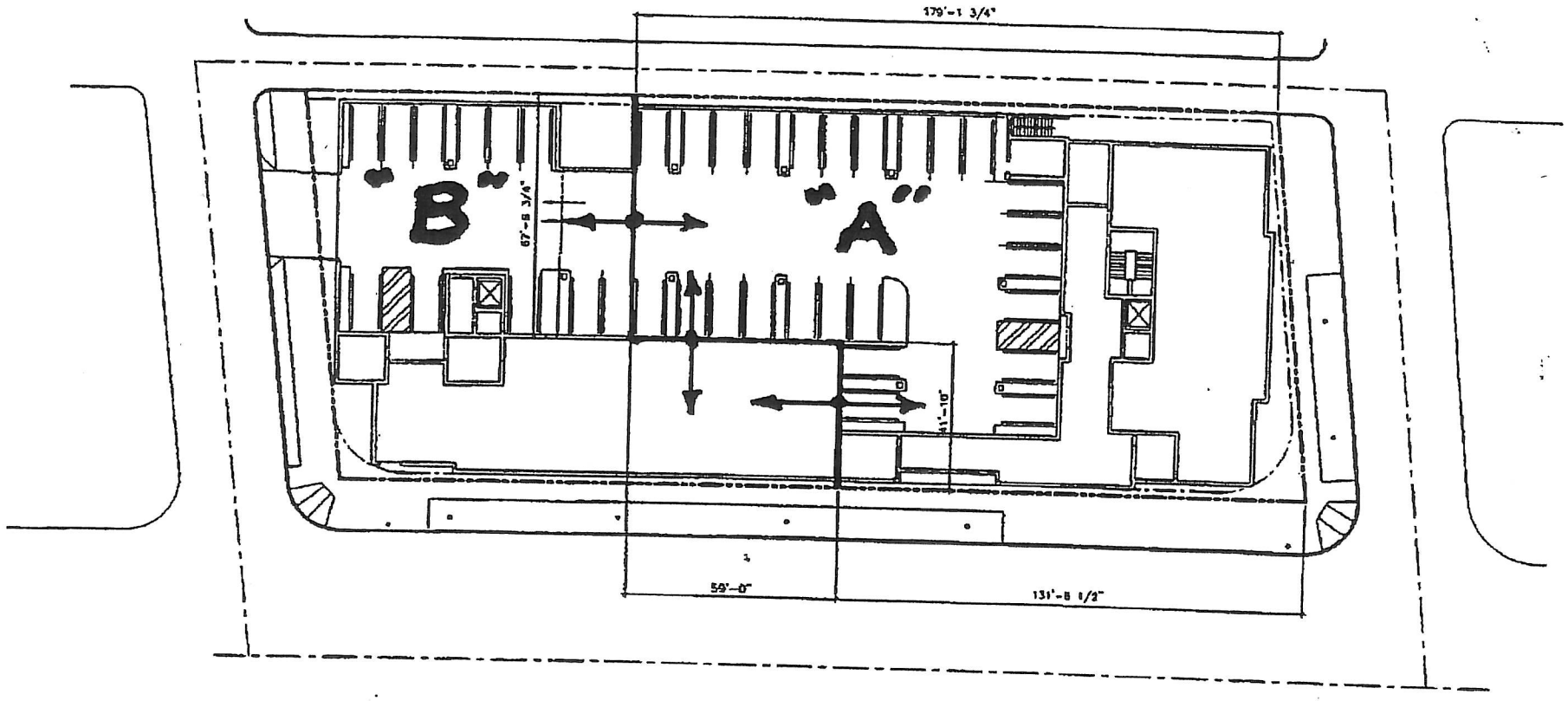
Signal Hill, CA 90755-4706



PROPOSED SITE SPLIT (05/22/2007)

EXHIBIT "A"

EXHIBIT B
RESTRICTIVE COVENANTS

1. Grantee shall develop the Property with a structure sufficient in size to accommodate 46 residential units plus required parking. Forty-five of the residential units developed shall be one-bedroom units which shall remain affordable to senior households as defined by HUD under its section 202 program during the 40 year period of the HUD capital advance and thereafter for an additional 15 years be affordable to senior citizens of very low-income as defined in Civil Code Section 51.3. as that term is defined in section 50105 of the Health and Safety Code and shall be exclusively leased at all times during the 55-year mortgage term to such seniors. Any deed restrictions on the residential portion of the Property shall comply with HUD requirements and be subject to HUD approval.
2. The Property shall remain affordable in accordance with subsection 1 above for a period of 55 years from the date the Certificate of Occupancy is issued for the residential components of the project by the City of Los Angeles.

EXHIBIT C
COMMERCIAL PROPERTY QUITCLAIM

RECORDING REQUESTED BY:
County of Los Angeles
AND MAIL TO:

Menorah Housing Foundation
10780 Santa Monica Boulevard, Suite 260
Los Angeles, CA 90025

_____ Space above this line for Recorder's use _____

TAX PARCEL: 4322-010-900

QUITCLAIM DEED

DOCUMENTARY TRANSFER TAX

COUNTY OF LOS ANGELES $_____

CITY OF _____ $_____

TOTAL TAX $_____

__ COMPUTED ON FULL VALUE OF PROPERTY CONVEYED,
__ OR COMPUTED ON FULL VALUE LESS LIENS AND ENCUMBRANCES REMAINING, AT TIME OF SALE.

_____
Signature of Declarant or Agent determining tax.

COUNTY OF LOS ANGELES
Firm Name

The **COUNTY OF LOS ANGELES, a body corporate and politic**, ("Grantor") for the sum of Four Hundred Thousand and NO/100 Dollars ($400,000), receipt of which is hereby acknowledged, or is secured by a deed of trust, does hereby surrender, quitclaim and release to:

Menorah Housing Foundation ("Grantee")

all of the County's right, title and interest in and to the described real property, ("Property") reserving and excepting to the County all oil, gas, hydrocarbons, and other minerals in and under the Property without the right to the use of the surface or subsurface to a depth of 500 feet, measured vertically from the surface of the Property.

The Property is located in the City of Los Angeles, County of Los Angeles, State of California and is more particularly described in the attached Exhibit A which is incorporated herein by reference as though set forth in full.

SUBJECT TO AND BUYER TO ASSUME:

a. All taxes, interest, penalties and assessments of record, if any.
b. Covenants, conditions, restrictions, reservations, easements, rights, and rights-of-way of record, if any.
c. The restrictions and covenants outlined in Exhibit B attached hereto and incorporated herein by this reference.

Dated_____

COUNTY OF LOS ANGELES

COLA LOG NO. _____

By_____
Zev Yaroslavsky
Chairman, Board of Supervisors

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

The undersigned hereby certifies that on this _____ day of _____, 20__, the facsimile signature of _____, Chairman, Board of Supervisors was affixed hereto as the official execution of this document. The undersigned further certifies that on this date, a copy of the document was delivered to the Chairperson of the Board of Supervisors of the County of Los Angeles.

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

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

By_____

APPROVED AS TO FORM:

RAYMOND G. FORTNER
County Counsel

By_____
Deputy

EXHIBIT A
LEGAL DESCRIPTION

The commercially developed portion of Lots 15 to 20 inclusive of Block 17 of Tract No. 5609 as shown on map recorded in Book 60, Pages 34, 35, and 36 of Maps, in the office of the Recorder of Los Angeles County.

Prior to the conveyance of the property legal descriptions of the commercial parcel of the property will be substituted for Exhibit A.

EXHIBIT "A" To Be Substituted Prior to Conveyance

BROOKS AND ASSOCIATES
SURVEYORS

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SIGNAL HILL, CA 90755
BUS. (562) 595-9501

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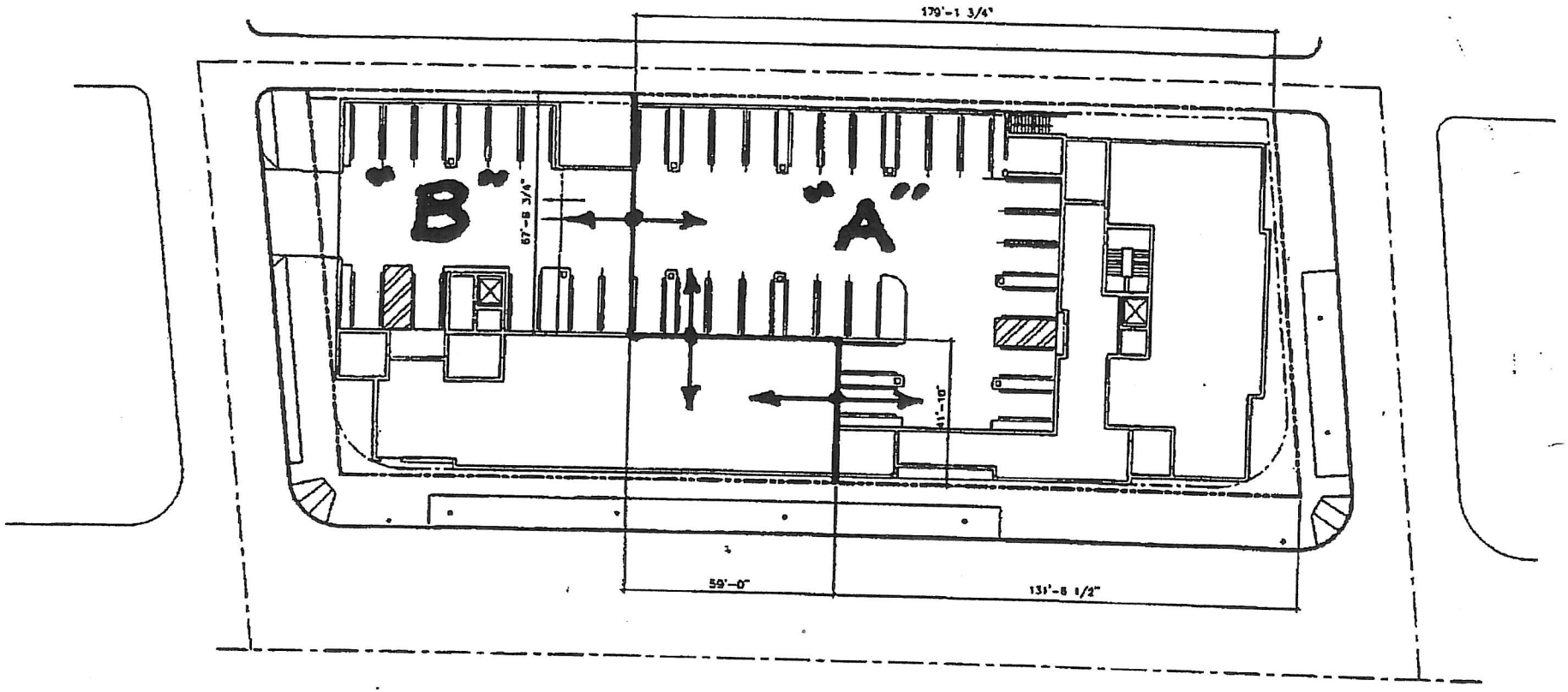
Richard J. Brooks

Richard J. Brooks, P.L.S.

May 31, 2007

BROOKS & ASSOCIATES, SURVEYORS
3300 Lewis Avenue
Signal Hill, CA 90755-4706



PROPOSED SITE SPLIT (05/22/2007)

EXHIBIT "A"

EXHIBIT B
RESTRICTIVE COVENANTS

1. Grantee shall develop the Property with a structure sufficient in size to accommodate no more than 5,000 square feet of office on the ground level plus appurtenant parking ("Project").
2. Upon Grantee's completion of construction of the Project, the first sale of the Property, provided such sale is to a bona-fide third party and the sales prices is reflective of current market value as determined in Grantor's sole discretion, shall be subject to a split of the proceeds as follows:

    a. The net sales proceeds shall be determined by deducting:
        i. Grantee's original cost to construct;
        ii. capital improvements made subsequent to completion of initial construction; and
        iii. real estate commissions and other costs typically assessed to seller in a sales transaction.
    b. The net proceeds shall be split 50/50 between Grantor and Grantee. Thereafter this restriction shall be come void.
3. In the event that County of Los Angeles determines that the owner in possession is not complying with the restrictions set forth herein, then all right, title, and interest in and to the Property shall automatically revert back to the County of Los Angeles upon County's provision of 30 days notice to the record owner of the Property of its failure to comply with said restrictions and without any necessity of any other affirmative action on the part of the County of Los Angeles

EXHIBIT "D"

County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE
REAL ESTATE DIVISION
222 South Hill Street, 3rd Floor • Los Angeles, California 90012
(213) 974-4300
http://cao.co.la.ca.us

DAVID E. JANSSEN
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

PERMIT TO ENTER

Permittee:
Menorah Housing Foundation
10780 Santa Monica Boulevard
Suite 260
Los Angeles, CA 90025
Attention: Anne Friedrich
Telephone: (310)475-6083

Permit No.
Chapter 2.08
Consideration: gratis
Expiration: see Section 3 below
Agent: Chris Kurzon
Property Management
Telephone: (213)974-4156
FAX: (213) 217-4968

---

1. PREMISES: Permittee, after execution by the Chief Administrative Officer, is hereby granted permission to enter the property located at 10961 West Pico Boulevard, City of Los Angeles, California (Premises). Entry constitutes acceptance by Permittee of all conditions and terms of this Permit.

2. PURPOSE: The sole purpose of this Permit is to allow Permittee to complete due diligence tasks typically performed by a buyer in a commercial real estate transaction including, but not limited to, environmental testing, geotechnical soils borings and survey work, and for no other purposes at the Premises.

3. TERM: This Permit shall expire upon Permittee's exercise of its Option to Purchase the Premises pursuant to an agreement dated _____ or in the event said agreement is terminated for any reason, whichever first occurs..

4. CONSIDERATION: Permittee's use of the Premises shall be on a gratis basis. Consideration for this Permit is compliance with the terms and conditions of this agreement.

5. ADDITIONAL CHARGES: Permittee agrees to pay any charges for utilities that may be required and for the safekeeping of the Premises for the prevention of any accidents as a result of the activities thereon.

Permittee's Initials AF

6. NOTICE: Notices desired or required to be given by this Permit or by any law now or hereinafter in effect may be given by enclosing the same in a sealed envelope, Registered Mail, Return Receipt Requested, addressed to the party for whom intended and depositing such envelope with postage prepaid in the U.S. Post Office or any substation thereof, or any public letter box, and any such notice and the envelope containing the same shall be addressed to Permittee as follows:

10780 Santa Monica Boulevard, Suite 260
Los Angeles, CA 90025
Attention: Anne Friedrich

or such other place in California as may hereinafter be designated in writing by the Permittee. The Notices, Certificates of Insurance and Envelopes containing the same to County shall be addressed to:

County of Los Angeles
Chief Administrative Office, Real Estate Division
222 South Hill Street, Third Floor
Los Angeles, California 90012
Attention: Carlos Brea, Manager, Property Management

7. INDEMNIFICATION: Permittee agrees to indemnify, defend and save harmless County, its Special Districts, agents, elected and appointed officers and employees from and against any and all liability, expense, including defense costs and legal fees, and claims for damages of any nature whatsoever, including, but not limited to, bodily injury, death, personal injury, or property damage, including damage to County property, arising from or connected with Permittee's operations, or its services hereunder, including any Workers' Compensation suits, liability, or expense, arising from or connected with services performed by or on behalf of Permittee by any person pursuant to this Permit.

8. INSURANCE: Without limiting Permittee's indemnification of County, Permittee shall provide and maintain, except where deleted and initialed, at its own expense during the term of this Permit the following program(s) of insurance covering its operations hereunder. Such insurance shall be provided by insurer(s) satisfactory to the County Risk Manager and evidence of such programs satisfactory to the County shall be delivered to the Chief Administrative Office, Real Estate Division/Property Management on or before the effective date of this Permit. Such evidence shall specifically identify this Permit and shall contain express conditions that County is to be given written notice at least thirty (30) days in advance of any modification or termination of any provision of insurance:

a. GENERAL LIABILITY: A program of insurance which shall be primary to and not contributing with any other insurance maintained by County, shall name the County of Los Angeles as an Additional Insured, and shall include, but not be limited to:

(1) COMPREHENSIVE GENERAL LIABILITY insurance endorsed for Premises-Operations, Products/Completed Operations, Contractual, Broad Form Property Damage, and Personal Injury with a combined single limit of not less than $1,000,000 per occurrence.

(2) COMPREHENSIVE AUTO LIABILITY endorsed for all owned, non-owned and hired vehicles with a combined single limit of at least $300,000 per occurrence.

b. WORKERS' COMPENSATION: A program of Workers' Compensation insurance in an amount and form to meet all applicable requirements of the Labor Code of the State of California, and which specifically covers all persons providing services on behalf of Permittee and all risks to such persons under this Permit.

c. FIRE LEGAL LIABILITY: A program of fire legal liability in an amount not less than $50,000 with a loss payee endorsement in favor of the County of Los Angeles as its interest may appear. Such coverage may be provided under the policy for general liability.

9. FAILURE TO PROCURE INSURANCE: Failure on the part of Permittee to procure or maintain required program(s) of insurance shall constitute a material breach of contract upon which County may immediately terminate this Permit.

10. OPERATIONAL RESPONSIBILITIES: Permittee shall:

a. Comply with and abide by all applicable rules, regulations and directions of County.

b. Comply with all applicable City and County ordinances and all State and Federal laws, and in the course thereof obtain and keep in effect all permits and licenses required to conduct the permitted activities on the Premises.

c. Maintain the Premises and surrounding area in a clean and sanitary condition to the satisfaction of County.

d. Conduct the permitted activities in a courteous and non-profane manner, operate without interfering with the use of the Premises by County. County has the right to request Permittee to remove any agent, servant or employee who fails to conduct permitted activities in the manner heretofore described.

e. Assume the risk of loss, damage or destruction to any and all fixtures and personal property belonging to Permittee that are installed or placed within the area occupied.

f. Repair or replace any and all County property lost, damaged, or destroyed as a result of or connected with the conduct or activities of the Permittee. Should Permittee fail to promptly make repairs, County may have repairs made and Permittee shall pay costs.

g. Pay charges for installation and service costs for all utilities used for the conduct of the permitted activities, if needed.

h. Except for the purpose describe in Section 2, Permittee agrees to restore the Premises, prior to the termination of this Permit, to the satisfaction of County to the conditions that existed prior to the commencement of the permitted activities, other than for ordinary wear and tear or damage or destruction by the acts of God beyond the control of Permittee. This shall include removal of all rubbish and debris, as well as structures placed on the Premises by Permittee in order that the Premises will be neat and clean and ready for normal use by County on the day following the termination of this Permit. Should Permittee fail to accomplish this, County may perform the work and Permittee shall pay the cost.

i. Allow County to enter the Premises at any time to determine compliance with the terms of this Permit, or for any other purpose incidental to the performance of the responsibilities of the Chief Administrative Office.

j. Provide all security devices required for the protection of the fixtures and personal property used in the conduct of the permitted activities from theft, burglary or vandalism, provided written approval for the installation thereof is first obtained from the Chief Administrative Office.

k. Prohibit all advertising signs or matter from display at the Premises, other than signs displaying the name of Permittee.

l. Prohibit the sale of food.

m. Keep a responsible representative available on the Premises during all permitted hours. This person shall carry copies of this Permit and the receipt for consideration herein, for display upon request.

11. INDEPENDENT STATUS: This Permit is by and between County and Permittee and is not intended and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture or association as between County and Permittee. Permittee understands and agrees to bear the sole responsibility and liability for furnishing Workers' Compensation benefits to any person for injuries arising from or connected with services performed on behalf of Permittee pursuant to this Permit.

12. EMPLOYEES: All references to the "Permittee" in the Permit are deemed to include the employees, agents, assigns, contractors, and anyone else involved in any manner in the exercise of the rights therein given to the undersigned Permittee.

13. LIMITATIONS: It is expressly understood that in permitting the right to use said Premises, no estate or interest in real property is being conveyed to Permittee, and that the right to use is only a nonexclusive, revocable and unassignable permission to occupy the premises in accordance with the terms and conditions of the Permit for the purpose of conducting the permitted activities.

14. ASSIGNMENT: This Permit is personal to Permittee, and in the event Permittee shall attempt to assign or transfer the same in whole or part all rights hereunder shall immediately terminate.

15. AUTHORITY TO STOP: In the event that an authorized representative of the County finds that the activities being held on the Premises unnecessarily endanger the health or safety of persons on or near said property, the representative may require that this Permit immediately be terminated until said endangering activities cease, or until such action is taken to eliminate or prevent the endangerment.

16. DEFAULT: Permittee agrees that if default shall be made in any other terms and conditions herein contained, County may forthwith revoke and terminate this Permit.

17. ALTERATIONS AND IMPROVEMENTS: Permittee has examined the Premises and knows the condition thereof. Permittee accepts the Premises in the present state and condition and waives any and all demand upon the County for alteration, repair, or improvement thereof. Permittee shall make no other alteration or improvements to the Premises, except for limited testing of the soils or building components as part of Permittee's due diligence activities pursuant to Section 2 above, without prior written approval from the County other than for the installation of fixtures and personal property incidental to the project which shall be removed by Permittee prior to the termination of this Permit, and in the event of the failure to do so, title thereto shall vest in County. All betterments to the Premises shall become the property of County upon the termination of this Permit.

18. COUNTY LOBBYIST ORDINANCE: Permittee is aware of the requirements of Chapter 2.160 of the Los Angeles County Code with respect to County Lobbyists as such are defined in Section 2.160.010 of said Code, and certifies full compliance therewith. Failure to fully comply shall constitute a material breach upon which County may terminate or suspend this Permit.

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

20. ENTIRE AGREEMENT: This Permit contains the entire agreement between the parties hereto, and no addition or modification of any terms or provisions shall be effective unless set forth in writing, signed by both County and Permittee.

21. TIME IS OF THE ESSENCE: Time is of the essence for each and every term, condition, covenant, obligation and provision of this Permit.

22. POWER AND AUTHORITY: The Permittee has the legal power, right and authority to enter into this Permit, and to comply with the provisions hereof. The individuals executing this Permit on behalf of any legal entity comprising Permittee have the legal power, right and actual authority to bind the entity to the terms and conditions of this Permit.

23. SURVIVAL OF COVENANTS: The covenants, agreements, representations and warranties made herein are intended to survive the termination of the Permit.

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PERMITTEE: MENORAH HOUSING FOUNDATION

By: Anne Friedrich

Its: PRESIDENT

who hereby personally covenants, guarantees and warrants that he/she has the power and authority to obligate the Permittee to the terms and conditions in this Permit. Please sign before a Notary Public and return for approval. Upon approval a signed copy will be mailed to Permittee.

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On 3-23-07, before me, Ronald Kadonaga, Notary Public personally appeared Anne Friedrich ~~personally known to me~~ (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Ronald Kadonaga
(Signature)

(This Area for Seal)

RONALD KADONAGA
Commission # 1452162
Notary Public - California
Los Angeles County
My Comm. Expires Dec 18, 2007

Pursuant to Chapter 2.08 of the Los Angeles County Code, this Permit has been executed on behalf of the County of Los Angeles by the Chief Administrative Officer on the _____ day of _____, 2007.

PERMITTER:

ATTEST:
CONNY B. McCORMACK
Registrar-Recorder/County Clerk

BY: _____
Deputy

COUNTY OF LOS ANGELES

DAVID E. JANSSEN
Chief Administrative Officer

BY: _____
William L. Dawson
Acting Director of Real Estate

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

BY: _____
Deputy