



County of Los Angeles
CHIEF EXECUTIVE OFFICE

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

WILLIAM T FUJIOKA
Chief Executive Officer

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

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GLORIA MOLINA
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MARK RIDLEY-THOMAS
Second District
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Third District
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Fifth District

February 2, 2010

9 FEBRUARY 2, 2010

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

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

**APPROVAL OF AN AGREEMENT FOR AN OPTION TO PURCHASE REAL
PROPERTY; ESTABLISH CAPITAL PROJECT NO. 77544
DEPARTMENT OF PUBLIC HEALTH
5050 COMMERCE DRIVE, BALDWIN PARK
(FIRST DISTRICT) (4 VOTES)**

SUBJECT

Approval of the recommended actions will allow the County to secure an option to purchase the land and building located at 5050 Commerce Drive in Baldwin Park from WMRP Delaware Holdings, LLC in order to allow the Chief Executive Office (CEO) to complete its due diligence and environmental analysis prior to determining whether to recommend an actual purchase of the property.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and authorize the Chair to execute the Option Agreement with WMRP Delaware Holdings, LLC which will provide the County of Los Angeles with an option to purchase the land and building located at 5050 Commerce Drive in Baldwin Park for the proposed price of \$7,500,000.
2. Establish Capital Project No.77544 and approve the option price of \$150,000 which will be applied towards the \$7,500,000 purchase price in the event the County exercises its option to purchase the real property.

"To Enrich Lives Through Effective And Caring Service"

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Intra-County Correspondence Sent Electronically Only**

3. Approve an appropriation adjustment transferring \$150,000 and \$5,000 estimated escrow costs, totaling \$155,000, from the 2009-10 Designation for Capital Projects and Extraordinary Maintenance to Capital Project No. 77544.
4. Instruct the Chief Executive Officer to open an escrow, execute any related documents that may be required, and to deposit the necessary funds into escrow.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will allow the County to secure an option to purchase approximately 6.04 acres of land and a two-story 77,700 square foot office building with 349 parking spaces located at 5050 Commerce Drive in Baldwin Park from WMRP Delaware Holdings, LLC. The County currently leases the property for various Department of Public Health (DPH) activities. In addition, approval of the recommendations will allow the CEO to complete its due diligence and environmental analysis prior to determining whether a recommendation of an actual purchase of the real property is appropriate.

Option Agreement

Entering into the Option Agreement will provide the County with the option to purchase the real property from WMRP Delaware Holdings, LLC, allowing the County to complete California Environmental Quality Act (CEQA) related and other due diligence activities consisting of an environmental site assessment and title review.

If the CEO elects to recommend the exercise of the option to purchase upon completion of the required CEQA study and due diligence activities, the CEO will return to your Board for approval to exercise the option within approximately two months.

The Option Agreement secures an option to purchase the real property for \$7,500,000 for the duration of the option term, which expires on March 24, 2010. The term may be extended by the County to April 28, 2010 if the CEO deems necessary. The Option Agreement has been approved as to form by County Counsel.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs that we maximize fiscal sustainability by providing sound, prudent, and transparent short and long range fiscal policies and practices that help ensure maintenance of critical high priority County public services (Goal 1). Securing an option to purchase the property for Public Health-related services is consistent with this goal.

FISCAL IMPACT/FINANCING

The cost of purchase includes the proposed purchase price for the property, \$7,500,000, plus related title and escrow costs estimated to be approximately \$5,000, to consummate the transaction. The option price of \$150,000 will be applied towards the purchase price in the event the County exercises the option. If the County does not exercise the option, the option price will be refunded to the County.

Sufficient funding for the recommended option and estimated escrow costs is included in the 2009-10 Designation for Capital Projects and Extraordinary Maintenance. Approval of the attached Appropriation Adjustment (Attachment A) will authorize the transfer of \$155,000 to Capital Project No. 77544.

If the County exercises the option and purchases the property, DPH will save approximately \$1.7 million per year in lease costs, partially offset by approximately \$0.7 million in building operations costs. DPH has agreed to fund the purchase of the building over the course of the next seven years, provided that they continue to occupy the premises. While the mechanism has not yet been finalized, it is anticipated to be accomplished through a reduction in their annual budget target for term of the pay-back period.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On July 31, 2001, your Board approved a ten-year lease with Washington Mutual Bank, F.A. at the property for 77,700 square feet of office space for the Department of Health Services, now DPH, at an initial annual cost of up to \$2.1 million. This action consolidated DPH/Environmental Health Program staff who were formerly at two locations. DPH administrative and inspection staff were moved to 5050 Commerce Drive along with the cross connection, vector management and environmental hygiene laboratories and their respective administrative components.

Subsequently, WMRP Delaware Holdings, LLC acquired the real property and offered it for sale to the County of Los Angeles. Under the terms of the lease, the County has the first right to negotiate a purchase of the property. The parties desire to enter into the Option Agreement in order for the County to complete its due diligence and required environmental analysis prior to deciding whether to purchase the property. The Option Agreement has been approved as to form by County Counsel.

The Honorable Board of Supervisors
February 2, 2010
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ENVIRONMENTAL DOCUMENTATION

Approval of the Option Agreement does not constitute an activity which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Therefore, CEQA does not apply to the currently recommended actions.

The appropriate environmental documents will be completed prior to returning to your Board for approval of any discretionary action that may impact the environment and prior to your consideration of the exercise of the option to purchase the property.

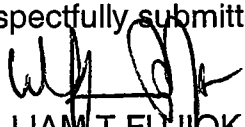
IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the current recommendation will have no impact on current services. The County currently occupies the site and services will continue without interruption. If the CEO recommends, and your Board approves, purchase of the property, the DPH staff will remain at the current location, unless your Board approves a relocation. The CEO will consider options for DPH staff if the County does not ultimately purchase the property.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return four original copies of the Option Agreement, two certified copies of the Minute Order and the adopted, stamped Board letter to the CEO, Real Estate Division at 222 South Hill Street, 3rd Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,


WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SK
WLD:CB:eb

Attachments

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

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF CHIEF EXECUTIVE OFFICE

DEPT'S. NO. 060

December 28, 2009

AUDITOR-CONTROLLER:

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

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 09-10

4 - VOTES

SOURCES

Designation for Capital Projects/Extraordinary Maintenance \$155,000 A01 - 3077 DECREASE DESIGNATION

USES

Various Capital Projects Acquisition - 5050 Commerce Drive, Baldwin Park 91706 Fixed Assets - Land \$155,000 A01 - CP - 6006 - 65058 - 77544 INCREASE APPROPRIATION

SOURCES TOTAL: \$ 155,000

USES TOTAL: \$ 155,000

JUSTIFICATION

This appropriation adjustment is necessary to provide sufficient appropriation in Fixed Assets - Land to cover the cost of an option to acquire the real property and building at 5050 Commerce Drive, Baldwin Park CA 91706 and related escrow fees.

ADOPTED BOARD OF SUPERVISORS COUNTY OF LOS ANGELES

AUTHORIZED SIGNATURE - David Jan Takata, Senior Manager, CEO

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

#9

FEB 02 2010

Signature of Sachin A. Hamai, EXECUTIVE OFFICER

REFERRED TO THE CHIEF EXECUTIVE OFFICER FOR --

- ACTION (checkbox) RECOMMENDATION (checkbox checked)

- APPROVED AS REQUESTED (checkbox) APPROVED AS REVISED (checkbox)

AUDITOR-CONTROLLER

BY Barbara Harkon

CHIEF EXECUTIVE OFFICER

BY

B.A. NO. 091

January 20, 20 10

**OPTION AGREEMENT FOR TRANSFER OF REAL PROPERTY BY AND BETWEEN
WMRP DELAWARE HOLDINGS LLC AND THE COUNTY OF LOS ANGELES**

This Option Agreement ("Agreement") is made and entered into this 2nd day of February 2010, by and between WMRP DELAWARE HOLDINGS LLC, a Delaware limited liability company (the "Owner"), and the COUNTY OF LOS ANGELES, a body corporate and politic (the "County").

RECITALS:

- A. Owner is the owner of that certain real property located at 5050 Commerce Drive, Baldwin Park, California 91706, County of Los Angeles, State of California, as more particularly described in Exhibit "A", attached hereto and incorporated herein by this reference (the "Property");
- B. The Property is comprised of land (approximately 6.04 acres), an approximately 77,700 square foot structure (the "Building"), with 349 appurtenant parking spaces, all of Owner's interest in easements and interests appurtenant thereto, and all intangible property owned or held by Owner in connection with the Property, including without limitation, development rights (if any), governmental approvals and land entitlements;
- C. The County desires to purchase the Property, and Owner is willing to grant the County an option to acquire the Property in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

1. Option Agreement.

1.1 Option. This Agreement shall constitute an option granting the County the exclusive right to acquire the Property, subject to the terms and conditions contained herein (the "Option"), for the Option Term set forth herein.

1.2 Option Term. This Option shall be exercisable by the County during a term commencing from the date of the mutual execution and unconditional delivery of this Agreement, and terminating March 24, 2010 (the "Option Term"). Notwithstanding the foregoing, by written notice, by Chief Executive Office ("CEO") letter, as set forth in Section 5 from County to Owner received by Owner not later than March 24, 2010, County may extend the Option Term to expire on April 28, 2010.

1.3 Option Price. In consideration of Owner granting the Option, the County agrees to deposit the sum of One Hundred Fifty Thousand Dollars (\$150,000) (the "Option Price") within ten (10) business days of the full execution of this Agreement into Escrow as provided herein. The Option Price shall be applied toward the Purchase Price, as set forth in Section 1.7, or delivered to Owner as consideration for the Option, as otherwise set forth in this Agreement.

Should the Owner fail to comply with Section 1.4, below, during the Option Term or any extension thereof, the Escrow Holder shall return the Option Price to the County, within ten (10) days of the County's written demand therefor, in which event this Agreement shall terminate and neither party shall have any further rights or obligations hereunder, except for those rights or obligations which are expressly intended to survive termination of this Agreement.

1.4 No Further Encumbrance of Property. The Owner hereby agrees that it shall not encumber the Property with, or acquiesce to any further liens or encumbrances (other than a lien for non-delinquent or supplemental taxes) or otherwise alter the condition of title to the Property, during the Option Term.

1.5 Right of Entry. Pursuant to its Lease of the Building with Owner's predecessor (Washington Mutual Bank) dated August 7, 2001 (the "County Lease"), the County already has the right to enter upon the Property. Any activities which County desires to undertake to determine the Property's suitability for the intended or contemplated use by County shall be governed by, performed in accordance with, and subject to, the terms of the County Lease. Without limiting the foregoing, any invasive tests which County proposes to perform concerning the Property shall require the prior written consent of Owner and shall be subject to such conditions as Owner shall reasonably prescribe.

1.6 Exercise of Option. Upon County's election to exercise the Option to acquire the Property (which election shall take place, if at all, by written notice as set forth in Section 1.9, the parties hereto, pursuant to the Government Code Section 25350 and other applicable law, will effectuate the acquisition of the Property in accordance with the terms and conditions of this Agreement.

1.7 Purchase Price. Upon County's exercise of its Option, the purchase price for the Property shall be SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$7,500,000) (the "Purchase Price"), of which the \$150,000 Option Price shall be credited at Closing, if the Closing occurs. The remainder of the Purchase Price (\$7,350,000) shall be paid in the form of a County warrant and deposited into Escrow not later than five (5) business days prior to the Closing.

1.8 Contingencies. County's exercise of its Option and both parties' obligations hereunder are subject to the following conditions:

1.8.1 Approval of this Agreement by the County by January 19, 2010 (the "First Approval Date"). Notwithstanding the foregoing, by written notice from County's CEO to Owner sent by County not later than January 20, 2010, County may extend the First Approval Date to February 2, 2010 and the Second Approval Date (defined in Section 1.8.2 below) to March 2, 2010, and if the First Approval Date and the Second Approval Dates are so extended, then by written notice from County's CEO to Owner sent by County not later than February 3, 2010, County may further

extend the First Approval Date to February 9, 2010 and the Second Approval Date to March 9, 2010;

1.8.2 The Board of Supervisors approving the CEQA document for the project and adopting a Resolution of Notice of Intention to Purchase the Property (Second Board Meeting) by February 16, 2010 (the "Second Approval Date"). Notwithstanding the foregoing, by written notice from County's CEO to Owner sent by County not later than the day immediately following the Second Approval Date (as the Second Approval Date may have been extended pursuant to Section 1.8.1 above), County may extend the Second Approval Date (as it may have already been extended) by two (2) weeks, and if the Second Approval Date is so extended, then by written notice from County's CEO to Owner sent by County not later than the day immediately following the Second Approval Date (as the Second Approval Date was extended pursuant to the terms of this Section 1.8.2 above), County may further extend the Second Approval Date by one (1) week. For clarity, it is the intent of the parties that the Second Approval Date not be extended beyond March 30, 2010 pursuant to the terms of Sections 1.8.1 and/or 1.8.2 above; and

1.8.3 The Board of Supervisors approving the purchase of the Property at the Public Hearing (Third Board Meeting) by March 23, 2010 (the "Final Approval Date"). Notwithstanding the foregoing, if either or both of the Approval Dates are extended as contemplated in Sections 1.8.1 and/or 1.8.2 above, then the Final Approval Date shall automatically be extended to April 27, 2010.

Upon satisfaction of the condition set forth in Section 1.8.2 above, the Option Price shall be non-refundable to County and shall be deemed earned by Owner as consideration for the Option, except as expressly set forth in this Agreement to the contrary. If either of the conditions set forth in Sections 1.8.1 or 1.8.2 above are not timely satisfied by the dates specified (as such dates may have been extended by County as described in said Sections 1.8.1 and/or 1.8.2), then either party may elect to terminate this Agreement upon written notice to the other, in which event the Option Price shall be returned to the County, this Agreement shall be terminated, and the parties shall have no further rights or obligations pursuant to this Agreement, except for those rights or obligations which are expressly intended to survive termination of this Agreement. If the condition set forth in Section 1.8.3 above is not timely satisfied (but the conditions set forth in Sections 1.8.1 and 1.8.2 above were timely satisfied), then either party may elect to terminate this Agreement upon written notice to the other, in which event the Option Price shall be retained by the Owner as consideration for the Option (except as otherwise expressly set forth in this Agreement), this Agreement shall be terminated, and the parties shall have no further rights or obligations pursuant to this Agreement, except for those rights or obligations which are expressly intended to survive termination of this Agreement.

1.9 Notice of Intent to Exercise Option. County shall notify Owner of County's intent to exercise its Option to acquire the Property by delivering written notice (pursuant to Section 5) to Owner by letter from County's CEO at any time prior to the expiration of the Option Term. The parties acknowledge that such notice has no legal significance, in that the actual exercise of the Option shall be only by the County's Board of Supervisors as evidenced by written notice delivered to Owner (pursuant to Section 5) prior to the expiration of the Option Term.

1.10 Voluntary Termination. County may terminate this Agreement, by written notice to Owner, prior to the expiration of the Option Term if it determines, in its sole discretion, that the Property is not suitable for the County's intended or contemplated use. Upon such notice, the Option and this Agreement shall terminate and all rights and obligations of County and Owner under this Agreement shall then and there cease, except for those rights or obligations which are expressly intended to survive termination of this Agreement. In the event the County terminates this Agreement prior to satisfaction of the condition set forth in Section 1.8.2 above, the Escrow Holder shall return the Option Price to the County within ten (10) days of the County's termination of this Agreement. Except as is otherwise specified in Section 3.4, if the County terminates this Agreement after the condition set forth in Section 1.8.2 is satisfied (approval at the Second Board meeting), then the County will forfeit the Option Price to the Owner, and the Option and this Agreement shall terminate and all rights and obligations of County and Owner under this Agreement shall then and there cease, except for those rights or obligations which are expressly intended to survive termination of this Agreement.

2. Condition of Property.

2.1 "As Is" Purchase. The County acknowledges that the County has been in possession of the Property pursuant to the County Lease since 2002 and that the Property is being purchased "as is" solely in reliance on County's own investigation of the Property and the improvements thereon and that no representations or warranties of any kind whatsoever, expressed or implied, have been made with respect to the Property by the Owner, except for those express representations and warranties contained in this Agreement.

3. Transfer of Property Interest.

3.1 Escrow. Upon County's execution and approval of this Agreement, the parties shall open an escrow ("Escrow") with Chicago Title Company, 700 South Flower Street, Suite 800, Los Angeles, CA 90017, attention: Irene Meltzer ("Escrow Holder"), and this Agreement shall constitute the basic escrow instructions for the purpose of consummating the transaction contemplated by this Agreement. Upon Closing, Escrow Holder is authorized to:

3.1.1 (i) pay, and charge Owner, for any delinquent taxes, assessments, bonds, penalties and interest thereon, except those which

title is to be taken subject to and in accordance with the terms of this Agreement; (ii) pay, and charge Owner, for any amounts necessary to place the title in the condition necessary to enable conveyance pursuant to this Agreement; including the cost of the Title Policy (the cost of any endorsements is the County's responsibility), one-half (1/2) of the escrow fees; (iii) pay and charge the County for one-half (1/2) of the escrow fees; (iv) prorate all real property taxes which are a lien and/or unpaid as of the close of Escrow according to the formula adopted by the Los Angeles County Assessor's Office and deduct Owner's portion from its proceeds. The tax amount withheld will be made payable to the County Auditor-Controller's Office following the Closing. Any taxes which have been prepaid by the Owner shall not be prorated, but the Owner shall have the sole right after Closing, to apply to the Los Angeles County Treasurer for refund of taxes attributable to the period after acquisition pursuant to the Revenue and Taxation Code Section 5096.7; and (v) when conditions of Escrow have been fulfilled by the Owner and County, (a) record documents of conveyance; (b) disburse the Purchase Price to Owner, less its prorations and expenses; (c) deliver copies of the Escrow closing statements to both parties; and (d) deliver any items or documents given to Escrow Holder to hold for both parties.

3.2 Execution of Additional Escrow Documents. The parties shall execute and deliver to Escrow Holder, within ten (10) business days after receipt, such additional escrow instructions prepared by the Escrow Holder as may be required to consummate the transaction contemplated by this Agreement. Any such instructions shall not conflict with, amend, or supersede any provisions of this Agreement. If there is any inconsistency between such instructions and this Agreement, this Agreement shall control unless the parties expressly agree in writing otherwise.

3.3 Form of Grant Deed. Fee simple absolute title to the Property shall be conveyed by Owner to County by a grant deed substantially similar to the form attached hereto as Exhibit "C", subject only to the Approved Condition of Title (as defined in Section 3.4 below).

3.4 Condition of Title to Property. The Owner shall cause the conveyance of good and marketable fee simple absolute title to the Property to the County, as evidenced by a CLTA Standard Coverage Form Policy of Title Insurance ("Title Policy"), issued by Chicago Title Company (the "Title Company"), 700 South Flower Street, Suite 800, Los Angeles, CA 90017, in an amount equal to the Purchase Price. The warranties of title implied in the grant deed are intended to survive the Closing, subject to the matters of title reflected on the face of such deed. Notwithstanding the foregoing or anything else in this Agreement to the contrary, Owner is not making any representations or warranties concerning the condition of title to the Property (except for the warranties of title implied in the grant deed). Prior to the Second Approval Date (a) County shall notify Owner of any title exceptions shown on a current

Preliminary Title Report covering the Property of which County disapproves, and (b) Owner shall notify County no later than five days prior to the Second Approval Date whether or not Owner will attempt to do anything about the disapproved exceptions. If County is not satisfied with Owner's response, or if Owner does not respond within five days of the Second Approval Date (which will be deemed Owner's election not to do anything about the disapproved exceptions), then (again, prior to the Second Approval Date) County, as its sole and exclusive remedy, may (x) waive its objections and proceed with this transaction (in which case, the disapproved exceptions will be deemed approved), or (y) terminate this Agreement and neither party shall have any further rights or obligations pursuant to this Agreement, except for those rights or obligations which are expressly intended to survive termination of this Agreement. The County's failure to terminate and acquisition of approval to purchase the Property at the Second Board Meeting shall constitute County's election to waive such title objections. The County's failure to disapprove any title exceptions as contemplated in clause (a) above constitutes the County's approval of all exceptions shown on said Report. The title exceptions approved or deemed approved by the County prior to the Second Approval Date are referred to herein as the "Initial Approved Exceptions." If new items appear on the final title report after the Second Approval Date which are not caused by County (collectively, "New Items" and each, a "New Item"), the County shall have the right to approve or disapprove any such New Items. Prior to the Closing, the Owner shall use reasonable efforts to remove from title any New Items which are disapproved by the County. If any such New Item cannot be removed, said New Item may be eliminated by any feasible method that is acceptable to the County. If the County does not approve a method of removing any disapproved New Items for any reason, the County, as its sole and exclusive remedy, may (i) waive this condition and proceed with this transaction, or (ii) terminate this Agreement and neither party shall have any further rights or obligations pursuant to this Agreement, except for those rights or obligations which are expressly intended to survive termination of this Agreement. The Initial Approved Exceptions and any New Items as to which County does not terminate this Agreement as provided hereof are collectively referred to herein as the "Approved Condition of Title." If the County terminates this Agreement pursuant to this Section, the Option Price shall be refunded to the County.

3.5 County's Conditions to Closing. County's obligation to consummate the transaction contemplated by this Agreement is conditioned upon: (i) Owner's delivery of the grant deed to Escrow Holder; (ii) Owner's representations, warranties and covenants contained herein being true and correct as of Closing; and (iii) Title Company's irrevocable commitment to issue the Title Policy showing only the Approved Condition of Title. Upon non-satisfaction of any one of the above conditions, County shall allow Owner an opportunity to cure (not to exceed ten (10) business days) by any reasonable method; if the Owner fails to cure within ten (10) business days, County may, in writing, terminate this Agreement, the Option Price shall be returned to the County, and thereafter the parties shall have no further rights or obligations pursuant to this Agreement, except for those rights or obligations which are expressly intended to survive

termination of this Agreement. If County does not object to Owner's non-satisfaction of said conditions, they shall be deemed satisfied as of Closing.

3.6 Owner's Conditions to Closing. Owner's obligation to consummate the transaction contemplated by this Agreement is conditioned upon: (i) satisfaction of the conditions set forth in Section 1.8 above; (ii) the Board of Supervisors exercising the Option within the Option Term as contemplated in Section 1.9 above; (iii) County's timely deposit of the Option Price in accordance with Section 1.3 and County's timely deposit of the Purchase Price into Escrow in accordance with Section 1.7; and (iv) County's representations, warranties and covenants being true and correct as in all material respects of the Closing. Upon non-satisfaction of any one of the above conditions, Owner shall allow County a reasonable opportunity to cure (not to exceed ten (10) business days) by any reasonable method; if County fails to cure within ten (10) business days following demand, then Owner may, in writing, terminate this Agreement, Owner shall retain the Option Price as consideration for the Option, and thereafter the parties shall have no further rights or obligations pursuant to this Agreement, except for those rights or obligations which are expressly intended to survive termination of this Agreement. If Owner does not object to County's non-satisfaction of said conditions, they shall be deemed satisfied as of Closing.

3.7 Loss by Fire or Other Casualty. Owner shall maintain its existing fire and casualty insurance on the Property in full force until Closing. In the event that, prior to Closing, the Property or any part thereof, is destroyed or damaged (by other than the County or its employees, agents or contractors) such that the cost of restoring same is reasonably expected to exceed \$1,000,000, then the County, at its option, may instead elect to terminate this Agreement upon written notice to the Owner by letter from County's CEO given to Owner not later than ten (10) business days after receipt by County of County's written estimate of restoration costs, and thereafter, neither party shall have any further rights or obligations pursuant to this Agreement, except for those rights or obligations which are expressly intended to survive termination of this Agreement. If County elects to accept the Property in its then condition, all proceeds of insurance paid or payable to Owner by reason of such damage or destruction (if any) shall be paid or assigned to County.

3.8 Closing. For purposes of this Agreement, the "Closing" shall be defined as the date of recordation of the grant deed in the Official Records. The parties agree that the Closing shall occur no later than April 20, 2010 (the "Outside Closing Date"). Notwithstanding the above, the Outside Closing Date may be extended to May 25, 2010 if County has extended the Option Term as contemplated in Section 1.2 above. The parties may agree in writing to extend the Closing beyond May 25, 2010, if such an extension appears to either party to be necessary, but neither party is obligated to agree to extend the Closing.

4. Possession; Termination of County Lease. County is already entitled to exclusive possession of the Property pursuant to the County Lease, and shall continue in possession as of the Closing, subject to all matters of title. Owner shall provide

County with any keys or other means necessary to operate all locks and alarms associated with securing the improvements on the Property, to the extent in Owner's possession and not already in County's possession.

4.1 Owner agrees to deliver title to the Property upon the Closing, subject only to the Approved Condition of Title.

4.2 Owner agrees to terminate all property management agreements, listing agreements and maintenance agreements relating to the Property effective as of the Closing.

4.3 Effective as of the Closing, the County Lease is hereby terminated and of no further force or effect, except for those rights or obligations which are expressly intended to survive termination of the Lease, and County agrees that it shall remain liable for all amounts due under the County Lease through the Closing (whether or not the County has been billed for such amounts prior to the Closing), and that Owner may bill the County for such amounts after the Closing.

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 Executive Office
Real Estate Division, Property Management Section
222 South Hill Street, 3rd Floor
Los Angeles, California 90012
Attention: William L. Dawson

With a Copy to: County of Los Angeles, Office of County Counsel
Room 653 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012
Attention: Amy M. Caves, Esq.

To Owner: JPMorgan Chase Bank, National Association
8111 Preston Road, Suite 250
Dallas, Texas 75225
Attention: Mr. John Creech

With a Copy to: JPMorgan Chase Bank, National Association
1301 2nd Avenue, 13th Floor
Mailstop WA1-3449
Seattle, Washington 98101
Attention: Berrie Martinis, Esq.

With a Copy to: Allen Matkins Leck Gamble Mallory & Natsis LLP
1900 Main Street, 5th Floor
Irvine, California 92614
Attention: Bradley N. Schweitzer, Esq.

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

6. Brokers. Owner agrees to pay to Houlihan, Lokey, Howard & Zubin ("Owner's Advisor") an advisory fee in connection with the transaction contemplated by this Agreement pursuant to a separate agreement between Owner and Owner's Advisor. The County is not responsible for paying any portion of this advisory fee. The Owner represents and warrants to County that no other broker or finder has been engaged by it in connection with the transaction contemplated by this Agreement. In the event of any claims for brokers' or finders' fees or commissions in connection with the negotiation, execution or consummation of this Agreement, Owner shall indemnify, hold harmless and defend the County, from and against such claims if they are based upon or are alleged to be based upon any statement, representation or agreement by Owner. The County represents and warrants to Owner that no broker or finder has been engaged by it in connection with the transaction contemplated by this Agreement. In the event of any claims for brokers' or finders' fees or commissions in connection with the negotiation, execution or consummation of this Agreement, County shall indemnify, hold harmless and defend the Owner, from and against such claims if they are based upon or are alleged to be based upon any statement, representation or agreement by County.

7. 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.

7.1 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.

7.2 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.

7.3 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.

7.4 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.

7.5 Violations. Owner has no present actual knowledge of any outstanding, and uncured, written notice or citation from applicable governmental authorities of violation of any applicable codes, environmental zoning and land use laws, subdivision laws, and other applicable federal, state and local laws, regulations and ordinances, including, but not limited to, those relating to environmental conditions, hazardous materials or wastes regarding the Property.

7.6 Litigation. Owner has no present actual knowledge of any litigation pending or threatened against the Owner on any basis therefore that arises out of the ownership of the Property or that might detrimentally affect the Property or adversely affect the ability of the Owner to perform its obligations under this Agreement.

8. Indemnification.

8.1 County shall defend, indemnify, and hold Owner 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 County or its officers, employees or agents relating to the performance of its obligations under the terms of this Agreement.

8.2 The Owner 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 expense and consultants' fees) arising from the negligence or willful misconduct of the Owner or its officers, employees or agents relating to the performance of its obligations under the terms of this Agreement.

8.3 The indemnity provided each party by this section shall survive the Closing.

9. General Provisions.

9.1 Delegation of Authority. The County hereby delegates to its Chief Executive 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.

9.2 Survival of Covenants. The covenants, agreements, representations and warranties made herein are intended to survive the Closing and recordation and delivery of the grant deed conveying the Property; provided, however, the representations and warranties of Owner in Section 7.5 shall only survive the Closing for three (3) years and the representations and warranties of Owner in Section 7.6 shall only survive the Closing for four (4) years.

9.3 Entire Agreement. This Agreement contains the entire agreement between the parties hereto as to the subject matter hereof and no addition or modification of any term or provision shall be effective unless set forth in writing, signed by both Owner and County.

9.4 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.

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

9.6 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.

9.7 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.

9.8 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.

9.9 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.

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

9.11 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.

9.12 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.

/ / / SIGNATURE PAGE FOLLOWS / / /

IN WITNESS WHEREOF, Owner has executed this Agreement or caused it to be duly executed and pursuant to Chapter 2.08 of the Los Angeles County Code, this Agreement has been executed on behalf of the County of Los Angeles by the Chief Executive Officer the day, month, and year first above written.

WMPR DELAWARE HOLDINGS LLC,
A Delaware limited liability company

By: Pacific Centre Associates LLC,
Managing Member

By: Irvine Corporate Center, Inc.,
Manager

By: David G. Murphy
David G. Murphy,
Senior Vice President

COUNTY OF LOS ANGELES,
A body politic and corporate

By: Gloria Molina
Gloria Molina

Chair, Board of Supervisors

ATTEST:

SACHI A. HAMAI
Executive Officer-Clerk
Of the Board of Supervisors



I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By: Ronald D. Hana
Deputy

By: Ronald D. Hana
Deputy

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN
County Counsel

By: Amy M. Caves
Amy M. Caves
Senior Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#9 FEB 02 2010

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

77230

EXHIBIT LIST

Exhibit "A" Legal Description

Exhibit "B" [Reserved]

Exhibit "C" Grant Deed Form

EXHIBIT "A"

LEGAL DESCRIPTION

PARCEL 4 OF PARCEL MAP NO. 1024, IN THE CITY OF BALDWIN PARK, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 154 PAGES 19 TO 21 INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH THAT PORTION OF PARCEL 1 OF PARCEL MAP NO. 1052, IN THE CITY OF BALDWIN PARK, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 187 PAGES 32 AND 33 OF PARCEL MAPS, IN THE OFFICE OF SAID COUNTY RECORDER LYING NORTHEASTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT ALONG THE NORTHWESTERLY LINE OF SAID PARCEL 1, SAID POINT BEING DISTANT NORTH 54°34'30" EAST 726.65 FEET FROM THE NORTHWESTERLY CORNER OF SAID PARCEL 1 AS SHOWN ON SAID MAP; THENCE, SOUTHEASTERLY LEAVING SAID NORTHWESTERLY LINE, SOUTH 35°25'30" EAST 275.00 FEET TO A POINT ON THE NORTHWESTERLY RIGHT-OF-WAY OF THE DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, 120 FEET WIDE, AS DESCRIBED IN DEED RECORDED OCTOBER 6, 1936 IN BOOK 14395 PAGE 221, OFFICIAL RECORDS OF SAID COUNTY; THENCE, NORTHEASTERLY ALONG SAID NORTHWESTERLY RIGHT-OF-WAY, NORTH 54°34'30" EAST 23.00 FEET; THENCE, SOUTH 35°25'30" EAST 120.00 FEET TO A POINT ON THE SOUTHEASTERLY LINE OF SAID PARCEL 1, SAID POINT BEING DISTANT SOUTH 54°34'30" WEST 275.00 FEET FROM THE SOUTHEASTERLY CORNER OF SAID PARCEL 1 AS SHOWN ON SAID MAP.

SAID LAND IS SHOWN AS "PROPOSED LOT 2" ON THAT CERTAIN CERTIFICATE OF COMPLIANCE FOR LOT LINE ADJUSTMENT LLA 2009-002 RECORDED JULY 6, 2009 AS INSTRUMENT NO. 09-1009137.

EXHIBIT "B"

[RESERVED]

EXHIBIT "C"
GRANT DEED

**RECORDING REQUESTED BY
COUNTY OF LOS ANGELES**

WHEN RECORDED MAIL TO:

County of Los Angeles
222 South Hill Street, 3rd Floor
Los Angeles, CA 90012
Attention: Carol A. Botdorf

(Space Above For Recorder's Use)

THIS DOCUMENT IS EXEMPT FROM DOCUMENTARY TRANSFER TAX
PURSUANT TO SECTION 11922 OF THE REVENUE & TAXATION CODE

ASSESSOR'S IDENTIFICATION NUMBER
8535-011-015

THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO
SECTION 27383 OF THE GOVERNMENT CODE

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, WMRP DELAWARE HOLDINGS LLC, a Delaware limited liability company (hereinafter called "Grantor") does hereby grant to the COUNTY OF LOS ANGELES (hereinafter called "County") a body corporate and politic, all of the Grantor's rights, title and interests to that certain real property in the City of Baldwin Park, County of Los Angeles, State of California, legally described in Exhibit "A", attached hereto and incorporated herein by this reference (the "Property").

SUBJECT TO:

1. All taxes, penalties and assessments of record, if any.
2. All covenants, conditions, restrictions, reservations, easements, rights, rights-of-way, and other matters of record, including any matters shown on any recorded map of the Property.
3. All matters which would be revealed or disclosed in an accurate survey of the Property.
4. All matters which would be revealed or disclosed by a physical inspection of the Property.

Dated _____

"Grantor"

WMRP DELAWARE HOLDINGS LLC,
a Delaware limited liability company

By: Pacific Centre Associates LLC,
Managing Member

By: Irvine Corporate Center, Inc.,
Manager

By: _____
John Creech, Senior Vice
President

EXHIBIT "A"

LEGAL DESCRIPTION

PARCEL 4 OF PARCEL MAP NO. 1024, IN THE CITY OF BALDWIN PARK, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 154 PAGES 19 TO 21 INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

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SAID LAND IS SHOWN AS "PROPOSED LOT 2" ON THAT CERTAIN CERTIFICATE OF COMPLIANCE FOR LOT LINE ADJUSTMENT LLA 2009-002 RECORDED JULY 6, 2009 AS INSTRUMENT NO. 09-1009137.