

CRA/LA, A DESIGNATED LOCAL AUTHORITY
(Successor Agency to The Community Redevelopment Agency of the City of Los Angeles, CA)

M E M O R A N D U M

DATE: JUNE 18, 2020

TO: HON. JOHN HEILMAN, CHAIR
MEMBERS, THIRD SUPERVISORIAL DISTRICT CONSOLIDATED OVERSIGHT BOARD

FROM: STEVE VALENZUELA, CHIEF EXECUTIVE OFFICER

STAFF: DANIEL KAHN, CHIEF OPERATING OFFICER

SUBJECT: SALE OF REAL PROPERTY. Approval of a Purchase and Sale Agreement for a direct sale to The Broad of two air space parcels measuring approximately 19,500 square feet located at 220 S. Hope Street above the rear portion of the Broad Museum parking garage and identified as CRA/LA Asset ID No. 517-B in the Long Range Property Management Plan for \$3,500,000.

RECOMMENDATION

That the Third Supervisorial District Consolidated Oversight Board adopt a resolution approving a Purchase and Sale Agreement for the direct sale to The Broad of two air space parcels (Lots 3 and 5 of Tract No. 67492) (the “Parcels”) (Attachment “A”) measuring approximately 19,500 square feet located above the rear portion of the Broad Museum parking garage for \$3,500,000 and authorize the Chief Executive Officer to execute all documents necessary to effectuate the sale.

SUMMARY

The recommended action would continue the Successor Agency’s implementation of its approved Long Range Property Management Plan (“LRPMP”). Escrow is expected to close within 10 business days following review and approval by the California Department of Finance (“DOF”)

In September 2003, CRA/LA entered into a Joint Powers Authority (“JPA”) agreement with the County and City of Los Angeles for development of the Grand Avenue Project. In that agreement, CRA/LA agreed to provide the rights to the Parcels to the JPA. In March 2007, the JPA entered into a development agreement with Grand Avenue L.A., LLC (aka The Related Companies (“Related”)) for the development of several properties, including the subject Parcels as part of Phase IIC of the Grand Avenue Project.. When Related’s rights to develop the Parcels expired on March 31, 2019, the Parcels were returned to CRA/LA. As required under the LRPMP, CRA/LA now proposes to sell the Parcels. The Parcels are referred to as both the “Phase IIC Parcel” and “Parcel L.”

In May of 2018, CRA/LA received an unsolicited purchase offer for the Parcels from The Broad, which was followed, in May 2019, by an unsolicited purchase offer from the County, and

renewed purchase offers from The Broad in June and July of 2019. Following the submission of their offers, the County and The Broad requested that CRA/LA toll a sale of the Parcels to allow them time to discuss the disposition of the Parcels. On April 7, 2020, the County notified CRA/LA that it had completed negotiations with The Broad regarding the Parcels and had entered into a MOU in which (i) The Broad agreed to use part of the Parcels for a public plaza as part of a potential future museum extension; (ii) the County agreed to withdraw its offer to purchase the Parcels; and (iii) the County agreed to support the purchase of the Parcels by The Broad.

CRA/LA proposes a direct sale to The Broad for the following reasons. First, the Parcels would be used by The Broad for museum purposes and public use, which in the future could include an extension of the museum with a pedestrian plaza including a seating and rest area for the use of the general public adjacent to the Metro Bridge Easement that would include benches, planters and other improvements.

Second, the County supports the proposed uses as evidenced by the County entering into a MOU with The Broad. Third, Development of the Parcels by a private party would be very difficult because there are no support, utility, parking, access, construction or any other easements benefitting the Parcels. Therefore, it would be difficult for a private developer to build on the Broad parking garage without The Broad's agreement to grant those easements.

A summary of key terms of the transaction is included as Attachment "B," and the Purchase and Sale Agreement is included as Attachment "C." If approved, escrow on this asset is expected to close within 30 days following approval by the Oversight Board and the Department of Finance.

DISCUSSION & BACKGROUND

The Related Companies ("Related") had originally envisioned the site as suitable for residential condominiums, however, when residential development proved infeasible, Related agreed to allow its rights to the Parcels to lapse. Since the Parcels were no longer committed to the larger Related Grand Avenue Project, both the County and The Broad expressed interest in them. The County has agreed that CRA/LA should consider The Broad's offer to purchase the Parcels for use by the public or museum purposes.

Asset 517-B was included in the Listing Agreement with CRA/LA's broker, Cushman & Wakefield ("Cushman"). As such, commission will be paid to Cushman for this transaction. The Broad has agreed to pay the commission.

On or before June 5, 2020, CRA/LA will post a 10-Day Notice of the proposed sale in compliance with Health & Safety Code Section 34181(f).

PREVIOUS ACTIONS

June 4, 2020 – Governing Board approved a purchase and sale agreement with The Broad for LRPMP Asset ID No. 517-B.

October 7, 2014 – Subsequent to Governing Board and Oversight Board approval, DOF approved the Long Range Property Management Plan that included this For Sale asset.

SOURCE OF FUNDS

No funding is being requested for this item.

ROPS AND ADMINISTRATIVE BUDGET IMPACT

There is no ROPS impact anticipated with this action. All net sales proceeds received from escrow will be deposited in the Successor Agency's Community Redevelopment Property Trust Fund for distribution to the affected taxing entities.

Net Sales Proceeds: There will be certain costs deducted from the gross sales prices, including closing costs. All net sales proceeds received from escrow will be deposited in the Successor Agency's Community Redevelopment Property Tax Trust Fund for distribution to the affected taxing entities.

Broker Commissions: The listing agreement with CRA/LA's broker provides for payment of commissions based on a negotiated rate schedule as shown in Table 1, below. The recommended transaction will result in Cushman earning commission, as shown in Table 2, below. The Broad has agreed to pay the commission.

Asset Sales Price	Commission Schedule
\$2.0 million and above	1.0% of Sales Price
\$1.0 million to \$1.999 million	1.5% of Sales Price
\$250,000 to \$999,999	3.5% of Sales Price
\$10,000 to \$249,000	5.0% of Sales Price
Under \$10,000	\$1,500
Air Rights	\$50,000 each

Asset ID No.	Asset Sales Price	Commission Earned
517-B	\$3,500,000	\$35,000
Total	\$3,500,000	\$35,000

ENVIRONMENTAL REVIEW

The proposed action does not constitute a project according to the California Environmental Quality Act (CEQA).

By:



Steve Valenzuela
Chief Executive Officer

There is no conflict of interest known to me which exists with regard to any CRA/LA officer or employee concerning this action.

Attachments

Attachment "A" – Site Map

Attachment "B" – Term Sheet

Attachment "C" – Purchase and Sale Agreement

ATTACHMENT A

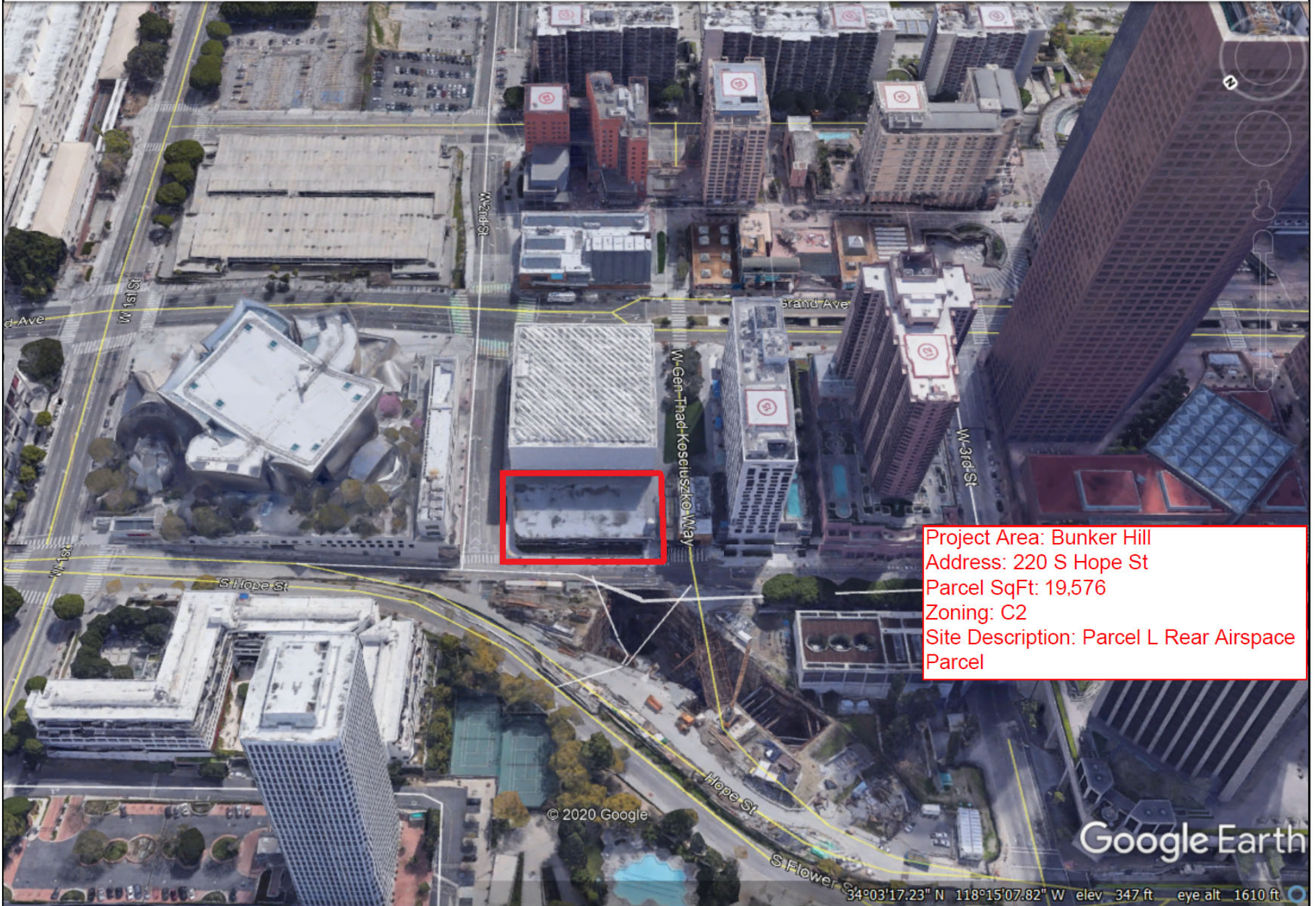
Bunker Hill

CRA/LA

220 S Hope St

APN #5151-004-928 (Lot 3) & APN #5151-004-930 (Lot 5)

ID# 517B Sale of Property "For Sale"



Project Area: Bunker Hill
Address: 220 S Hope St
Parcel SqFt: 19,576
Zoning: C2
Site Description: Parcel L Rear Airspace Parcel

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Google Earth

34°03'17.23" N 118°15'07.82" W elev 347 ft eye alt 1610 ft

Attachment "B"

CRA/LA, A DESIGNATED LOCAL AUTHORITY
SALE OF PROPERTY TERM SHEET

CRA/LA ASSET ID NO. 517-B

BUYER	The Broad, a California Nonprofit Public Benefit Corporation
SELLER	CRA/LA, a Designated Local Authority
PROPERTY	<ul style="list-style-type: none">○ 220 S. Hope Street, Los Angeles 90012○ Air Space Parcels○ APN: 5151-004-928 (Lot 3); and○ APN: 5151-004-930 (Lot 5)
SALES PRICE	\$ 3,500,000.00
VALUE ON LRPMP	\$ 1,000,000.00+
ESCROW & TITLE	Chicago Title Company ("Escrow Holder")
EFFECTIVE DATE & OPENING OF ESCROW	<ul style="list-style-type: none">○ The Effective Date is the date upon which both parties' deliver to Escrow Holder pdf copies of their respective signature pages to the purchase and sale agreement ("Agreement").○ Upon the Effective Date, Buyer and Seller shall establish an escrow with Chicago Title Company.
APPROVALS	Agreement is subject to the approval of Seller's Oversight Board and the State of California Department of Finance ("DOF").
CONDITION OF PROPERTY	Buyer agrees to purchase the Property free and clear of liens, in its "as is" condition.
REPRESENTATIONS AND WARRANTIES	The Agreement contains customary representations and warranties for a commercial real estate transaction of this size and nature.
COSTS OF ESCROW AND CLOSING	Buyer shall pay all escrow fees.
COMMISSION	\$35,000 (The Broad has agreed to pay the commission.)

Attachment "C"

AGREEMENT FOR PURCHASE AND SALE OF PROPERTY

SELLER:

CRA/LA, A DESIGNATED LOCAL AUTHORITY

and

BUYER:

THE BROAD,
A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION

PROPERTY: APNs 5151-004-928 and 5151-004-930

ADDRESS: 220 SOUTH HOPE STREET, LOS ANGELES, CA 90012

ASSET ID NO: 517B

EXECUTION DATE: MAY ___, 2020

AGREEMENT FOR SALE AND PURCHASE OF PROPERTY

This Agreement for Sale and Purchase of Property (this "**Agreement**") is executed by and between Seller, as identified in the Key Terms, and Buyer, as identified in the Key Terms. Buyer and Seller hereby agree that Seller shall sell to Buyer and Buyer shall purchase from Seller, upon the following terms and conditions and for the Purchase Price set forth in the Key Terms, the Property, as defined in the Defined Terms.

LIMITATION OF SELLER'S LIABILITY AND BUYER'S WAIVER OF IMPORTANT RIGHTS:

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT AND THE DEED, BUYER AGREES THAT BUYER IS BUYING THE PROPERTY "*AS IS, WHERE IS WITH ALL FAULTS AND LIMITATIONS*" (AS MORE FULLY SET FORTH IN THIS AGREEMENT).

NOTWITHSTANDING ANY PROVISION TO THE CONTRARY IN THIS AGREEMENT, SELLER'S LIABILITY AND BUYER'S SOLE AND EXCLUSIVE REMEDY IN ALL CIRCUMSTANCES AND FOR ALL CLAIMS (AS THAT TERM IS DEFINED IN THE DEFINED TERMS, AND ALL REFERENCES IN THIS AGREEMENT TO "CLAIMS," "CLAIM," "Claims," or "Claim" SHALL HAVE SUCH MEANING) ARISING OUT OF OR RELATING IN ANY WAY TO THIS AGREEMENT OR THE SALE OF THE PROPERTY TO BUYER INCLUDING, BUT NOT LIMITED TO, SELLER'S BREACH OR TERMINATION OF THIS AGREEMENT, THE CONDITION OR QUALITY OF THE PROPERTY, SELLER'S TITLE TO THE PROPERTY, THE OCCUPANCY STATUS OF THE PROPERTY, THE SIZE, SQUARE FOOTAGE, BOUNDARIES, OR LOCATION OF THE PROPERTY, ANY COST OR EXPENSE INCURRED BY BUYER IN CONDUCTING ITS INVESTIGATION AND/OR DUE DILIGENCE IN PREPARATION FOR THE PURCHASE OF THE PROPERTY, OBTAINING OTHER ACCOMMODATIONS, MOVING, STORAGE OR RELOCATION EXPENSES, OR ANY OTHER COSTS OR EXPENSES INCURRED BY BUYER IN CONNECTION WITH THIS AGREEMENT SHALL BE LIMITED AS PROVIDED IN SECTIONS 12.2 AND 12.3 OF THIS AGREEMENT.

BUYER SHALL NOT BE ENTITLED TO A RETURN OF THE DEPOSIT (AS DEFINED IN THE KEY TERMS) IF BUYER BREACHES THIS AGREEMENT PURSUANT TO SECTION 12.1 OF THIS AGREEMENT.

NOTWITHSTANDING ANY PROVISION TO THE CONTRARY IN THIS AGREEMENT, BUYER AND SELLER AGREE THAT NEITHER BUYER NOR SELLER SHALL BE LIABLE TO EACH OTHER UNDER ANY CIRCUMSTANCES FOR ANY SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES WHATSOEVER, WHETHER IN CONTRACT, TORT (INCLUDING

NEGLIGENCE AND STRICT LIABILITY), OR ANY OTHER LEGAL OR EQUITABLE PRINCIPLE, THEORY, OR CAUSE OF ACTION ARISING OUT OF OR RELATED IN ANY WAY TO ANY CLAIM, INCLUDING, BUT NOT LIMITED TO, THE AFOREMENTIONED CLAIMS.

NOTE: THERE IS NO DUE DILIGENCE OR INSPECTION CONTINGENCY PERIOD WITH RESPECT TO THIS AGREEMENT. BUYER SHALL HAVE NO RIGHT TO TERMINATE THIS AGREEMENT OR RECEIVE A REFUND OF THE DEPOSIT, UNLESS SELLER DEFAULTS HEREUNDER OR AS OTHERWISE SPECIFICALLY PROVIDED HEREIN.

ANY REFERENCE TO A RETURN OF THE DEPOSIT CONTAINED IN THIS AGREEMENT SHALL MEAN A RETURN OF DEPOSIT, LESS ANY ESCROW CANCELLATION FEES APPLICABLE TO BUYER UNDER THIS AGREEMENT. TO THE FULLEST EXTENT PERMITTED BY LAW, BUYER ACKNOWLEDGES THAT A RETURN OF ITS DEPOSIT AND THE EXPENSES CAN ADEQUATELY AND FAIRLY COMPENSATE BUYER FOR ALL CLAIMS PURSUANT TO SECTION 12.2 OF THIS AGREEMENT. UPON RETURN OF THE DEPOSIT AND EXPENSES (IF APPLICABLE) TO BUYER, THIS AGREEMENT SHALL BE TERMINATED, AND BUYER AND SELLER SHALL HAVE NO FURTHER LIABILITY, OBLIGATION, OR RESPONSIBILITY TO EACH OTHER IN CONNECTION WITH THIS AGREEMENT, EXCEPT WITH RESPECT TO THE PROVISIONS HEREOF WHICH SPECIFICALLY SURVIVE TERMINATION. IF THE SALE TO BUYER CLOSSES, THEN BUYER AND SELLER SHALL HAVE NO FURTHER LIABILITY, OBLIGATION, OR RESPONSIBILITY TO EACH OTHER IN CONNECTION WITH THIS AGREEMENT EXCEPT AS TO ANY PROVISIONS OF THIS AGREEMENT WHICH EXPRESSLY SURVIVE CLOSING.

SELLER'S LIMITATION OF LIABILITY AND BUYER'S WAIVERS PROVIDED IN THIS AGREEMENT ARE A MATERIAL PART OF THE CONSIDERATION TO BE RECEIVED BY SELLER UNDER THIS AGREEMENT AS AGREED TO BY BUYER AND SELLER.

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT AND THE DEED, BUYER FURTHER WAIVES THE FOLLOWING, TO THE FULLEST EXTENT PERMITTED BY LAW:

- (A) RIGHT TO RECORD THIS AGREEMENT OR A MEMORANDUM THEREOF IN THE REAL PROPERTY RECORDS;**
- (B) ANY RIGHT TO INVOKE ANY EQUITABLE REMEDY THAT WOULD PREVENT SELLER FROM CONVEYING THE PROPERTY TO A THIRD PARTY BUYER;**
- (C) ANY REMEDY OF ANY KIND THAT BUYER MIGHT OTHERWISE BE ENTITLED TO AT LAW OR EQUITY (INCLUDING, BUT NOT LIMITED TO, RESCISSION OF THIS AGREEMENT), EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT;**

- (D) ANY RIGHT TO A TRIAL BY JURY IN ANY LITIGATION ARISING FROM OR RELATED IN ANY WAY TO THIS AGREEMENT;
- (E) ANY RIGHT TO AVOID THE SALE OF THE PROPERTY OR REDUCE THE PRICE OR HOLD SELLER LIABLE FOR ANY CLAIMS ARISING OUT OF OR RELATED IN ANY WAY TO THE CONDITION, CONSTRUCTION, REPAIR, OR TREATMENT OF THE PROPERTY, OR ANY DEFECTS, APPARENT OR LATENT, THAT MAY NOW OR HEREAFTER EXIST WITH RESPECT TO THE PROPERTY, INCLUDING BUT NOT LIMITED TO ANY CLAIMS RELATING TO ANY ORDINANCES AND ANY REPAIR COSTS REQUIRED THEREUNDER;
- (F) ANY CLAIMS ARISING OUT OF OR RELATING IN ANY WAY TO ENCROACHMENTS, EASEMENTS, BOUNDARIES, SHORTAGES IN AREA OR ANY OTHER MATTER THAT WOULD BE DISCLOSED OR REVEALED BY A SURVEY OR INSPECTION OF THE PROPERTY OR SEARCH OF PUBLIC RECORDS;
- (G) ANY CLAIMS ARISING OUT OF OR RELATING IN ANY WAY TO THE SQUARE FOOTAGE, SIZE, OR LOCATION OF THE PROPERTY, OR ANY INFORMATION PROVIDED ON THE MULTIPLE LISTING SERVICE, OR BROCHURES OR WEB SITES OF SELLER OR ANY STATEMENTS, ACTIONS OR CONDUCT OF SELLER; AND
- (H) ANY CLAIMS ARISING OUT OF OR RELATING IN ANY WAY TO HAZARDOUS MATERIALS (AS DEFINED IN THE DEFINED TERMS OF THIS AGREEMENT).

THE ABOVE PROVISIONS SHALL SURVIVE THE CLOSING OF THE TRANSACTION CONTEMPLATED HEREBY, OR THE EARLIER TERMINATION OF THE AGREEMENT, IF PERMITTED.

SELLER'S INITIALS _____ / ____ BUYER'S INITIALS JH / ____ 5/22/20

does not disapprove of the sale, subject to Buyer's unilateral right to terminate this Agreement in the event DOF has not approved this Agreement (or any other condition to closing for Buyer's benefit has not be satisfied) by August 15, 2020 in accordance with and as further described in Article IV.

1.6 "**County**": Los Angeles County located in the State.

1.7 "**State**": California.

ARTICLE II. DEFINED TERMS

2.1 Definitions. The following "**Defined Terms**" shall have the following meanings when used in this Agreement:

- (a) "**Agreement**": This Agreement for Purchase and Sale of Property executed by both Seller and Buyer.
- (b) "**Business Day**": Any day, other than a Saturday, Sunday or legal holiday, on which business is conducted by national banking institutions in Los Angeles California.
- (c) "**Claims**": Any and all claims, demands, causes of action, whether administrative or judicial, losses, costs (including any and all reasonable attorneys' fees, court costs, and reasonable costs of investigation, litigation, and settlement), expenses, sanctions, orders, curtailments, interest, liabilities, penalties, fines, expenses, liens, judgments, compensation, fees, loss of profits, injuries, death, response costs and/or damages, of any kind whatsoever, whether direct or indirect, known or unknown, fixed or contingent, joint or several, criminal or civil, or in law or in equity.
- (d) "**Closing**": The execution and delivery of the Deed and the other instruments and documents to be executed by Seller and/or Buyer regarding the Property and the payment by Buyer to Seller of the Purchase Price.
- (e) "**Deed**": The grant deed conveying fee title to the Real Property to Buyer, duly executed by Seller and acknowledged and in proper form for recordation.
- (f) "**Escrow Agent**": Chicago Title Company, 725 South Figueroa Street, Suite 200, Los Angeles, California 90017; Attn.: Joan Hawkins; Telephone: (213) 612-4114; Facsimile (213) 488-4384; Email: joan.hawkins@ctt.com.

- (g) "**Event**": Any fire or other casualty affecting the Property or any actual or threatened (to the extent that Seller has current actual knowledge thereof) taking or condemnation of all or any portion of the Property.
- (h) "**Execution Date**": The date set forth on the cover page of this Agreement, which date shall be the later of the date Buyer and Seller have each executed this Agreement.
- (i) "**Hazardous Materials**": Any toxic, radioactive, caustic or otherwise hazardous substance, including petroleum, its derivatives, by-products and other hydrocarbons, or any substance having any constituent elements displaying any of the foregoing characteristics. The term "Hazardous Materials" includes, without limitation, any substance regulated under any and all federal, state and local statutes, laws (including case law), regulations, ordinances, rules, judgments, orders, decrees, codes, plans, injunctions, permits, concessions, grants, franchises, licenses, agreements and other governmental restrictions, whether now or hereafter in effect, relating to human health, the environment or to emissions, discharges or releases of pollutants, contaminants, toxic substances, hazardous substances or wastes into the environment including, without limitation, ambient air, surface water, ground water, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, hazardous materials or wastes or the clean-up or other remediation thereof.
- (j) "**Hazardous Materials Laws**": all federal, state and local laws, ordinances, rules and regulations now or hereafter in force, as amended from time to time, and all federal and state court decisions, consent decrees and orders interpreting or enforcing any of the foregoing, in any way relating to or regulating human health or safety, or industrial hygiene or environmental conditions, or protection of the environment, or pollution or contamination of the air, soil, surface water or groundwater, and includes, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 United States Code section 9601, et seq., the Resource Conservation and Recovery Act, 42 United States Code section 6901, et seq., and the Clean Water Act, 33 United States Code section 1251, et seq.
- (k) "**Hazardous Materials Reports**": Any and all studies, reports, analyses, information, or other written records regarding the presence or absence of Hazardous Materials at, on, in, under or relating to the Land.
- (l) "**Land**": The parcels of real property located in the County and State, as more particularly described on the attached **Exhibit A**. If the legal description is not complete or is inaccurate, this Agreement shall not be invalid provided the identity of the Property can otherwise be determined from this Agreement, in which event the legal description shall be

completed or corrected after the Execution Date to meet legal requirements.

- (m) "**Net Proceeds**": Any insurance proceeds or condemnation awards payable to Seller on account of any Event, less any sums reasonably incurred by Seller prior to and/or after Closing to process and resolve a claim with Seller's insurance company or any condemning authority, including but not limited to reasonable attorneys' fees and costs, up to and equal to the Purchase Price.
- (n) "**Permits**": Any and all licenses, permits, authorizations, certificates of occupancy and other approvals that are in effect for the current use and operation of the Property.
- (o) "**Personal Property**": All tangible personal property and fixtures owned by Seller and located on or attached to the Real Property. The term "**Personal Property**" shall not include insurance policies, utility deposits or bank accounts.
- (p) "**Property**": The Real Property.
- (q) "**Prorations Date**": The day prior to the Closing Date.
- (r) "**Real Property**": The Land, together with all rights of ways, ingress and egress, easements, rights, privileges, hereditaments and appurtenances thereto or in any way appertaining thereto, and Seller's interest in any buildings and other improvements and fixtures located thereon or attached thereto.
- (s) "**Title Report**": The commitment for issuance of an owner's title insurance policy issued by the Title Company dated as of April 24, 2020 under Order No. 00130032-021-JH5-JC in favor of Buyer in the full amount of the Purchase Price.
- (t) "**Title Company**": Chicago Title Insurance Company, 725 South Figueroa Street, Suite 200, Los Angeles, California 90017, Attn: Cheryl Yanez, Telephone (213) 488-4315, Facsimile (213) 488-4388, Email: cheryl.yanez@ctt.com.

2.2 Other Defined Terms. Other capitalized terms contained in this Agreement shall have the meanings assigned to them herein.

ARTICLE III. CONDITION

3.1 Information Regarding Property. Seller may in the future provide to Buyer documents and information pertaining to the Property. All such information is provided simply as an accommodation to Buyer, and Seller makes no representations as to their accuracy or

completeness. Buyer understands that some of the foregoing documents were provided by others to Seller and were not prepared by or verified by Seller. In no event shall Seller be obligated to deliver or make available to Buyer any of Seller's internal memoranda, attorney-client privileged materials or appraisals of the Property, if any.

3.2 Access. Until the Closing Date, provided this Agreement is not earlier terminated as permitted herein, Buyer and Buyer's agents and contractors shall be entitled to enter upon the Property between 7:00 a.m. and 7:00 p.m., Mondays through Saturdays, but only for the purpose of conducting tests and making site inspections and investigations including in connection with any design or other planning for future improvements to the Property. In doing so, however, Buyer agrees (a) that no invasive testing may be conducted without Seller's prior consent, which may be withheld by Seller in its sole discretion and (b) not to cause any damage or make any physical changes to the Property. Under no circumstances shall the right of entry granted herein be interpreted as delivery of possession of the Property prior to Closing. Buyer and Buyer's agents and contractors shall maintain at all times during their entry upon the Property, commercial general liability insurance with limits of not less than Two Million Dollars (\$2,000,000) combined single limit, bodily injury, death and property damage insurance per occurrence with proper endorsements naming Seller as an additional insured. At Seller's request, Buyer, Buyer's agents and contractors shall each deliver a certificate issued by the insurance carrier of each such policy to Seller evidencing the endorsements naming Seller as an additional insured prior to entry upon the Property.

3.3 Property Information. In fulfillment of the purposes of Health and Safety Code Section 25359.7(a), to the Seller's Current Actual Knowledge, no release of Hazardous Materials has come to be located on or beneath the Property. Buyer may not terminate this Agreement as a result of the purported physical unsuitability of the Property, except as otherwise set forth in Section 14.1 (Risk of Loss) below. As used in this Agreement, the phrase "to the Seller's Current Actual Knowledge" and words of similar import shall mean the actual knowledge of Daniel Kahn (the "Seller Representative"), on behalf of the Seller, as of the date of this Agreement, without any duty of separate inquiry and investigation. Buyer hereby agrees that the foregoing person shall not have or incur any personal liability for the breach of any representation or warranty in this Agreement, and that Buyer's sole remedy for any such breach shall be against the Seller. Notwithstanding any other provision of this Agreement, any Claim by Buyer for the breach of a representation by the Seller under this Section 3.3 must be made in writing to the Seller within sixty (60) days following the Closing Date.

3.4 Indemnification. Buyer hereby agrees to indemnify, protect, hold harmless and defend (by counsel reasonably satisfactory to Seller) Seller, its board members, its officers, its employees and its Oversight Board members from and against any and all Claims resulting from, arising from, or occasioned in whole or in part by any act or omission by Buyer, its agents, contractors, employees, representatives or invitees in, upon, or at the Property, or from Buyer's inspection, examination and inquiry of or on the Property. Notwithstanding any contrary provision of this Agreement, Buyer shall not have any liability under this Section 3.4 to the extent that (a) Buyer Investigations have identified but not exacerbated any physical condition of the Property or (b) the same is caused by the gross negligence or intentional misconduct of Seller. The provisions of this Section shall survive Closing or termination of this Agreement.

3.5 Buyer's Obligations with Respect to Inspections. If following Seller's prior written approval, Buyer or its agents, employees or contractors take any sample from the Property in connection with any testing, Buyer shall, upon the request of Seller, provide to Seller a portion of such sample being tested to allow Seller, if it so chooses, to perform its own testing. Promptly after Buyer's physical examinations and inquiries of the Property, but in no event later than ten (10) days after the damage occurs, Buyer shall restore the Property to its condition as of the Execution Date. Buyer shall promptly pay for all inspections and shall not suffer or permit the filing of any liens against the Property. If any such liens are filed, Buyer shall promptly cause them to be released or otherwise eliminated from being a lien upon the Property. In the event the transaction contemplated by this Agreement is not closed for any reason whatsoever, Buyer shall remain obligated with respect to the indemnities and other obligations contained in this Agreement which expressly survive termination hereof. The provisions of this Section shall survive termination of this Agreement.

3.6 Condition of the Property. Buyer hereby acknowledges that prior to the Execution Date Buyer became sufficiently familiar with the Property (as the owner of all of the real property adjacent to Property) and that Buyer has approved the Property in all respects. Any inspections conducted by Buyer after the Execution Date do not and shall not in any way relieve Buyer of any of its obligations under this Agreement, and the following provisions shall survive Closing:

- (a) Buyer does hereby acknowledge, represent, warrant and agree to and with Seller that, except as otherwise expressly provided in this Agreement and the Deed: (i) Buyer is expressly purchasing the Property in its existing condition "**AS IS, WHERE IS, AND WITH ALL FAULTS**" whether known or unknown with respect to all facts, circumstances, conditions and defects, both patent and latent; (ii) Seller has no obligation to inspect for, repair or correct any such facts, circumstances, conditions or defects or to compensate Buyer for same; (iii) Seller specifically bargained for the assumption by Buyer of all responsibility to inspect and investigate the Property and of all risk of adverse conditions and has structured the Purchase Price and other terms of this Agreement in consideration thereof; (iv) Buyer is sufficiently familiar with the Property (as the owner of all of the real property adjacent to Property) as Buyer deems necessary or appropriate for the suitability of the Property for Buyer's intended use, and based upon same, Buyer is relying strictly and solely upon such inspections and examinations and the advice and counsel of its own consultants, agents, legal counsel and officers; (v) except as otherwise expressly provided in this Agreement and the Deed, Seller is not making and has not made any warranty or representation with respect to any materials, any marketing information, or offering memoranda, or pamphlets listing or describing the property, or other data provided by Seller or others on behalf of Seller to Buyer (whether prepared by or for the Seller or others) or the education, skills, competence or diligence of the preparers thereof or the physical condition or quality or any other aspect of all or any part of the Property as an inducement to Buyer to enter into this Agreement and thereafter to purchase the Property or for any

other purpose; (vi) by reason of all the foregoing, except as otherwise expressly provided in this Agreement and the Deed, Buyer is assuming the full risk of any loss or damage occasioned by any fact, circumstance, condition or defect pertaining to the Property.

- (b) EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT AND THE DEED, SELLER HEREBY DISCLAIMS ALL WARRANTIES OF ANY KIND OR NATURE WHATSOEVER (INCLUDING WARRANTIES OF HABITABILITY AND FITNESS FOR PARTICULAR PURPOSES), WHETHER EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO WARRANTIES WITH RESPECT TO THE PROPERTY, TAX LIABILITIES, ZONING, LAND VALUE, AVAILABILITY OF ACCESS OR UTILITIES, INGRESS OR EGRESS, GOVERNMENTAL APPROVALS, OR THE SOIL CONDITIONS OF THE LAND. BUYER FURTHER ACKNOWLEDGES THAT BUYER IS BUYING THE PROPERTY "AS IS" AND IN ITS PRESENT CONDITION AND THAT EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT AND THE DEED, BUYER IS NOT RELYING UPON ANY REPRESENTATION OF ANY KIND OR NATURE MADE BY SELLER, OR ANY OF ITS EMPLOYEES OR AGENTS WITH RESPECT TO THE LAND OR THE PROPERTY, AND THAT, IN FACT, NO SUCH REPRESENTATIONS WERE MADE EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT AND THE DEED.
- (c) EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT AND THE DEED, SELLER MAKES NO WARRANTY WITH RESPECT TO THE PRESENCE ON OR BENEATH THE LAND (OR ANY PARCEL IN PROXIMITY THERETO) OF HAZARDOUS MATERIALS. BY ACCEPTANCE OF THIS AGREEMENT AND THE DEED, BUYER ACKNOWLEDGES THAT BUYER'S OPPORTUNITY FOR INSPECTION AND INVESTIGATION OF SUCH LAND (AND OTHER PARCELS IN PROXIMITY THERETO) HAS BEEN ADEQUATE TO ENABLE BUYER TO MAKE BUYER'S OWN DETERMINATION WITH RESPECT TO THE PRESENCE ON OR BENEATH THE LAND (AND OTHER PARCELS IN PROXIMITY THERETO) OF SUCH HAZARDOUS MATERIALS.
- (d) BUYER ACKNOWLEDGES AND AGREES THAT THE SELLER SHALL NOT BE RESPONSIBLE FOR ANY CLAIMS ARISING OUT OF OR RELATING TO MOLD AND/OR OTHER MICROSCOPIC ORGANISMS AT THE PROPERTY INCLUDING BUT NOT LIMITED TO PROPERTY DAMAGES, PERSONAL INJURY, ADVERSE HEALTH EFFECTS, LOSS OF INCOME, EMOTIONAL DISTRESS, DEATH, LOSS OF USE OR LOSS OF VALUE AND BUYER HEREBY IRREVOCABLY RELEASES SELLER, ITS BOARD MEMBERS, ITS OFFICERS, ITS EMPLOYEES AND ITS OVERSIGHT BOARD

MEMBERS FROM THE SAME. BUYER HEREBY ACKNOWLEDGES THAT IT HAS READ AND UNDERSTANDS THIS DISCLOSURE AND RELEASE AND AGREES TO THE PROVISIONS CONTAINED HEREIN.

- (e) Other than as expressly set forth herein or the Deed, neither Seller nor any agents, representatives, or employees of Seller have made any representations or warranties, direct or indirect, oral or written, express or implied, to Buyer or any agents, representatives, or employees of Buyer with respect to the Property, including, without limitation, (a) the physical condition of the Property (including the presence or absence of Hazardous Materials), zoning, set-back and other ordinances, codes, regulations, rules, requirements and orders affecting occupancy or operation of the Property, plans, specifications, any affordable housing restrictions or requirements, costs or other estimates, projections, including income and expense projections concerning the same, and (b) the Property's compliance with any environmental laws, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601 et seq.), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901 et seq.), the Clean Water Act (33 U.S.C. Section 1251 et seq.), the Safe Drinking Water Act (42 U.S.C. Section 300f et seq.), the Hazardous Materials Transportation Act (49 U.S.C. Section 1801 et seq.), the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), the California Hazardous Waste Control Law (California Health and Safety Code Sections 25100-25600), the Porter-Cologne Water Quality Control Act (California Health and Safety Code Section 13000 et seq.), and the Safe Drinking Water and Toxic Enforcement Act (California Health and Safety Code Section 25249.5 et seq.). Buyer specifically waives and releases Seller and its respective successors, assigns, board members, Oversight Board members, representatives, employees, agents, adjustors, accountants, officers, officials, and attorneys from (1) all warranties, express, implied, statutory or otherwise (including warranties of merchantability and warranties of fitness for use or acceptability for the purpose intended by Buyer) with respect to the Property or its condition or the prospects, operations or results of operations of the Property except with respect to the express representations and warranties set forth herein and contained in the Deed transferring legal title to Buyer, and (2) all Claims that Buyer would have against Seller arising out of or relating in any way to this Agreement or the sale of the Property except as otherwise expressly provided in this Agreement and the Deed.

Company shall be irrevocably committed to issue, at the Closing, a CLTA owner's policy of title insurance insuring Buyer's fee simple estate in the Property with liability in the amount of the Purchase Price, subject only to the Acceptable Encumbrances.

ARTICLE V.
TERMS OF PAYMENT; CLOSING ADJUSTMENTS

- 5.1 Payment of Purchase Price. The Purchase Price shall be paid as follows:
- (a) Payment of Deposit. The Deposit in the amount of One Hundred Thousand Dollars (\$100,000) shall be delivered to Escrow Agent by wire transfer no later than two (2) Business Days after the Execution Date. The Deposit will be non-refundable (except upon a default by Seller, or as specifically provided herein). If Buyer fails to deliver the Deposit as and when required by this Agreement, Seller, at Seller's sole discretion, may terminate this Agreement by providing notice to Buyer of such termination and, thereafter, this Agreement shall be terminated and neither party shall have any further rights or obligations hereunder.
 - (b) Credit for Deposit. The Deposit is consideration for the rights granted to Buyer to purchase the Property and shall be non-refundable except as otherwise provided herein. If and only to the extent Buyer in its sole discretion and dealing entirely with the Escrow Agent (it being acknowledged by Buyer that Seller shall have no responsibility or liability in connection therewith) supplies Buyer's Taxpayer Identification Number to the Escrow Agent and executes all necessary forms required by the Escrow Agent, the Deposit shall be held in an interest bearing account with a financial institution selected by the Escrow Agent. Any accrued interest shall become a part of the Deposit to be applied or disposed of in the same manner as the Deposit. At Closing Buyer shall receive a credit against the Purchase Price in the amount of the Deposit (less any accrued interest thereon) and the Deposit (less any accrued interest thereon) shall be delivered to Seller. Any accrued interest on the Deposit shall be delivered upon Closing by the Escrow Agent to Buyer by a separate check from the Escrow Agent.
 - (c) Payment at Closing. The balance of the Purchase Price, subject to the prorations and adjustments for which provision is herein made, shall be paid by Buyer to the Escrow Agent by wire transfer or such other payment method approved by Seller to Escrow Agent's account at the time of Closing, and the Escrow Agent shall immediately upon Closing disburse such funds pursuant to the Closing Statement. Buyer understands and acknowledges that the purchase of the Property and this Agreement IS NOT contingent on Buyer obtaining financing for the purchase of the Property. All deposited funds must be received in the Escrow Agent's account prior to 2:00 p.m. Pacific Standard Time on the day prior to the Closing Date for Seller to receive the benefit of such funds. Accordingly,

if funds are received after 2:00p.m. Pacific Standard Time on any day, they shall not be deemed received until the following Business Day.

5.2 Prorations; Adjustments; Closing Costs. The following adjustments and prorations shall be computed as of the Prorations Date and the Purchase Price shall be adjusted to reflect such prorations; provided, however, the figures utilized by Seller for the proration of any other expenses for the Property may be calculated using information from a date prior to the Prorations Date, but in no event more than four (4) Business Days prior to the Prorations Date. All costs and expenses of the Property with respect to the period on and prior to the Prorations Date shall be charged to Seller. All costs and expenses of the Property with respect to the period after the Prorations Date shall be charged to Buyer.

- (a) Taxes and Assessments; Pending and Certified Liens. Taxes and assessments for the year of Closing shall be prorated as of the Prorations Date upon the amount of such taxes for the year of Closing (using any maximum discount available) if the amount of such taxes is known at the time of Closing; if such amount cannot be then ascertained, proration shall be based upon the amount of the taxes for the preceding year (using any maximum discount available). If any tax proration shall be based upon the amount of taxes for the year preceding the year of Closing, such taxes, at the request of either party, shall be re-prorated and adjusted between the parties, on the basis of the tax bills for the year of Closing when received (using any maximum discount available). To the extent that Seller completes any tax appeal which results in savings for periods prior to but not after Closing, Seller shall be entitled to retain all savings. To the extent that Seller completes any tax appeal which results in savings for periods prior to and after Closing, the parties agree to re-prorate any such taxes and to share in the costs of such appeal, including attorney's fees and costs, based on the parties' prorata ownership of the Property for such tax period. City/County, public liens and/or similar liens (collectively, "**Public Liens**"). Other assessments not included on the regular property tax bills, license fees for transferred licenses, and state or municipal fees and taxes for the Property for the applicable fiscal period during which Closing takes place shall be adjusted as of the Prorations Date on the basis of the most recent ascertainable assessments and rates, and shall be re-prorated as necessary pursuant to Section (d) below. The provisions of this Section shall survive Closing.
- (b) Utility Charges. To the extent possible: (i) Seller and Buyer shall request that all electric, water, sewer, gas, fuel, waste collection and removal and other utility companies read the meters as of the Prorations Date; (ii) Seller shall be responsible for all such utility charges incurred through the Prorations Date; (iii) Buyer shall make application to the various companies for the continuation of such services and the establishment of the required accounts in the name of Buyer effective from and after the Closing Date; (iv) all prepaid deposits for utilities shall be refunded to Seller at the time of Closing by the utility companies; and (v) it shall be

Buyer's responsibility to make any utility deposits required for the continuation of such services from and after the Closing Date. If and only if any utility companies will not read the meters as of the Prorations Date, the expenses for those utility companies shall be prorated as of the Prorations Date. It shall be assumed that utility charges were incurred uniformly during the billing period in which the Closing occurs. If bills for the applicable period are unavailable, the amounts of such charges will be estimated based upon the latest known bills.

- (c) Other Prorations. In addition to the previously stated adjustments and prorations at Closing the parties shall also make such adjustments and prorations to the Purchase Price as are customary and usual in transactions similar to the transaction contemplated by this Agreement.
- (d) Re-proration and Post-Closing Adjustments. In the event that any adjustments or prorations cannot be apportioned or adjusted at Closing by reason of the fact that final or liquidated amounts have not been ascertained, or are not available as of such date, the parties hereto agree to apportion or adjust such items on the basis of their best estimates of the amounts at Closing and to re-prorate any and all of such amounts promptly when the final or liquidated amounts are ascertained. In the event of any omission or mathematical error on the Closing Statement, or if the prorations, apportionments and computations shall prove to be incorrect for any reason, the same shall be promptly adjusted when determined and the appropriate party paid any monies owed. This provision shall survive Closing for a period of twelve (12) months.

5.3 Costs and Expenses. Regardless of State or local custom, Buyer shall pay all escrow fees of the Escrow Agent/Title Company, all costs of recording, all documentary stamp taxes, surtaxes, transfer taxes and recording taxes on the Purchase Price, the cost of any title searches, exams and out-of-pocket fees of the Escrow Agent/Title Company, the cost of the title insurance premium for the owner's title insurance policy in the amount of the Purchase Price to be issued to Buyer by the Title Company, the cost of any extended title insurance coverage, the cost of any title insurance endorsements requested or required by Buyer and the cost of any survey or survey updates or modification obtained by Buyer. Attorneys' fees, consulting fees, and other due diligence expenses shall be borne by the party incurring such fees and/or expense. The provisions of this Section shall survive Closing.

ARTICLE VI. TITLE

6.1 Title Report. Buyer shall take title to the Real Property subject to the following, all of which shall be deemed "**Acceptable Encumbrances**":

- (a) Liens for real property taxes and assessments not yet due and payable, subject to any prorations provided for herein;

- (b) The standard printed exceptions contained in owner's title insurance policies;
- (c) Matters that would be disclosed by an accurate survey or personal inspection of the Property;
- (d) Zoning and other regulatory laws and ordinances affecting the Property;
- (e) The encumbrances set forth on Exhibit C attached hereto; and
- (f) Any matters that are approved in writing by Buyer or deemed approved by Buyer in accordance with this Agreement.

6.2 Updated Title Report. On or before the Closing Date, Buyer and/or Seller may cause the Title Company to update the Title Report. If the updated Title Report contains any new exceptions that do not constitute existing Acceptable Encumbrances, Buyer may file written objection thereto prior to the completion of the Closing. If Buyer timely and properly files written objection(s) to any such item(s) other than an Acceptable Encumbrance, then Seller shall have the right but not the obligation to use reasonable diligence to remove, discharge or correct such liens, encumbrances or objections and shall have a period of sixty (60) days after receipt of notice thereof in which to do so (and if necessary the Closing Date shall be extended). Seller shall not in any event be obligated to pay any sums of money or to litigate any matter in order to remove, discharge or correct any lien, encumbrance or objection; provided, however, Seller shall be obligated to remove or caused to be removed any monetary liens caused by Seller. Any attempt by Seller to remove other title exceptions shall not impose an obligation upon Seller to remove such exceptions. If Seller shall be unwilling or unable to remove or discharge such other liens, encumbrances or objections within such period, then Buyer may, at its option, no later than five (5) days after Seller notifies Buyer of Seller's unwillingness or inability, either terminate this Agreement or accept title in its then existing condition without reduction of the Purchase Price. If Buyer shall elect to terminate this Agreement, the Deposit, shall be returned to Buyer, this Agreement shall terminate, and thereafter neither Seller nor Buyer shall have any further rights or obligations hereunder except with respect to the provisions hereof which specifically survive termination. Notwithstanding any contrary provision of this Agreement, the parties agree that the Disposition and Development Agreement dated March 5, 2007 between the Los Angeles Grand Avenue Authority and Grand Avenue L.A., LLC, as amended and assigned (the “**DDA**”) has terminated with respect to the Property, shall not be an exception to the Title Policy, and in no event shall the DDA constitute an Acceptable Encumbrance (the “**DDA Termination Condition**”). If the Title Company requires further evidence of the termination of the DDA with respect to the Property, Seller shall make good faith efforts to obtain the same and remove the DDA from the Title Policy with respect to the Property, which such removal shall be a condition precedent to Closing for the benefit of Buyer. Subject to Buyer’s termination right set forth in Section 1.5 above, either party may extend the Closing for up to 180 days to satisfy the DDA Termination Condition. From and after the date hereof, Seller shall not (a) enter into any agreement with respect to the Property or cause or permit any encumbrance to affect the Property, in each case, which would affect the Property following the Closing without Buyer's prior written consent and (b) consent to, acquiesces in, join in or cooperate with the taking or condemnation of all or any portion of the Property.

ARTICLE VII. ESCROW AND CLOSING

7.1 Escrow Instructions. Upon execution of this Agreement, the parties hereto shall deposit an executed counterpart of this Agreement with the Escrow Agent, and this Agreement shall serve as the instructions to the Escrow Agent as the escrow holder for consummation of the purchase and sale contemplated hereby. Seller and Buyer agree to execute such reasonable additional and supplementary escrow instructions as may be appropriate to enable the Escrow Agent to comply with the terms of this Agreement; provided, however, that in the event of any conflict between the provisions of this Agreement and any supplementary escrow instructions, the terms of this Agreement shall control.

7.2 Time and Place. Closing shall take place on the Closing Date or such earlier date as may be mutually acceptable to the parties with all deliveries to be made in escrow to the Escrow Agent prior to or on the Closing Date; provided, however, that pursuant to Section 6.2 Seller at Seller's option may extend the Closing Date for purposes of curing objections to the status of title that were timely and properly raised by Buyer. Buyer acknowledges that Seller may at Seller's option use closing proceeds to satisfy any mortgage or lien on the Property.

7.3 Seller's Deposit of Documents. At or before Closing, Seller shall deposit or cause to be deposited into escrow with the Escrow Agent the following items:

- (a) an executed Deed with respect to the Real Property, in the form of **Exhibit B** hereto, together with any State, County and local transfer tax declarations and forms required to be executed by Seller;
- (b) an executed Certificate of Non-Foreign Status;
- (c) an executed combined Buyer - Seller Closing Statement prepared by the Escrow Agent reflecting all financial aspects of the transaction ("**Closing Statement**"); and
- (d) a completed State of California Form 593-C.

7.4 Buyer's Deposit of Documents. At or before Closing Buyer shall deposit or cause to be deposited into escrow with the Escrow Agent the following items:

- (a) cash to close in the amount required by Section 5.1 hereof;
- (b) any State, County and local transfer tax declarations and forms required to be executed by Buyer;
- (c) an executed Closing Statement;
- (d) evidence reasonably satisfactory to Title Company reflecting that all documents executed by Buyer at Closing were duly authorized and executed; and

(e) a completed Preliminary Change of Ownership form.

7.5 Other Documents. Buyer and Seller shall each deliver such other documents as are otherwise required by this Agreement or the Title Company to consummate the purchase and sale of the Property in accordance with the terms hereof. Unless the parties otherwise agree in writing, the Escrow Agent is hereby designated as the "**Reporting Person**" for the transaction pursuant to Section 6045(e) of the United States Code and the regulations promulgated thereunder. If requested in writing by either party, the Escrow Agent shall confirm its status as the "**Reporting Person**" in writing, which such writing shall comply with the requirements of Section 6045(e) of the United States Code and the regulations promulgated thereunder.

7.6 Possession. Possession of the Property shall be surrendered to Buyer at Closing.

ARTICLE VIII. ENVIRONMENTAL MATTERS

8.1 Release. Without limiting Sections 3.3 and 3.6, Buyer acknowledges that Seller is not in any manner responsible to Buyer for the presence of any Hazardous Materials at, on, in, under or relating to the Property, if any. Buyer hereby specifically and irrevocably releases the Seller, its board members, its officers, its employees and its Oversight Board members from any and all Claims relating to the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release of any Hazardous Materials on the Property, if any, including without limitation, any residual contamination, in, on, under or about the Property or affecting natural resources, whether prior to or following Closing, and also including, without limitation, any liability due to asbestos-containing materials at the Property. BUYER'S CLOSING HEREUNDER SHALL BE DEEMED TO CONSTITUTE AN EXPRESS WAIVER OF BUYER'S AND ITS SUCCESSORS' AND ASSIGNS' RIGHTS TO SUE SELLER AND OF BUYER'S RIGHT TO CAUSE ANY OF SELLER'S BOARD MEMBERS, OFFICERS, EMPLOYEES OR OVERSIGHT BOARD MEMBERS TO BE JOINED IN AN ACTION BROUGHT UNDER ANY FEDERAL, STATE OR LOCAL LAW, RULE, ACT, OR REGULATION NOW EXISTING OR HEREAFTER ENACTED OR AMENDED WHICH PROHIBITS OR REGULATES THE USE, HANDLING, STORAGE, TRANSPORTATION OR DISPOSAL OF HAZARDOUS MATERIALS OR WHICH REQUIRES REMOVAL OR REMEDIAL ACTION WITH RESPECT TO SUCH HAZARDOUS MATERIALS, SPECIFICALLY INCLUDING BUT NOT LIMITED TO FEDERAL "**CERCLA**", "**RCRA**", AND "**SARA**" ACTS WITH RESPECT TO THE PROPERTY. The acknowledgments of Buyer and the release contained in this Section of this Agreement shall survive Closing or termination of this Agreement.

8.2 Indemnification. Without limiting the provisions of Section 3.4 and Section 3.6(c), Buyer hereby agrees to indemnify, protect, hold harmless and defend (by counsel reasonably satisfactory to Seller) Seller, its board members, its officers, its employees and its Oversight Board members from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, but not limited to, reasonable attorney's fees and expenses), arising directly or indirectly, in whole or in part, out of: (1) the failure of Buyer, its agents,

employees, or contractors to comply with any Hazardous Materials Law relating in any way whatsoever to the handling, treatment, presence, removal, storage, decontamination, cleanup, transportation or disposal of Hazardous Materials into, on, under or from the Property; (2) for a period of one year following the Closing Date, the presence in, on or under the Property of any Hazardous Materials or any releases or discharges of any Hazardous Materials into, on, under or from the Property; or (3) any activity carried on or undertaken on or off the Property subsequent to the conveyance of the Property to Buyer, and whether by Buyer or any employees, agents, contractors or subcontractors of Buyer at any time occupying or present on the Property, in connection with the handling, treatment, removal, storage, decontamination, cleanup, transport or disposal of any Hazardous Materials at any time located or present on or under the Property.

8.3 Confidentiality of Hazardous Materials Reports. Unless and until the Closing actually occurs, Buyer, its agents, consultants and employees shall keep confidential all Hazardous Materials Reports and other information, received or completed by Buyer in Buyer's independent factual, physical and legal examinations and inquiries of the Property, except that: (a) Buyer shall promptly after receipt provide copies thereof to Seller; and (b) Buyer may disclose same to its consultants if Buyer first obtains the agreement in writing of such consultants to keep such Hazardous Materials Reports and related documentation confidential. Unless and until the Closing actually occurs, neither the contents nor the results of any test, report, analysis, opinion or other information shall be disclosed by Buyer, its agents, consultants and employees without Seller's prior written approval unless and until Buyer is legally required to make such disclosure. The provisions of this Section shall survive the termination of this Agreement.

ARTICLE IX. WARRANTIES AND REPRESENTATIONS

Buyer warrants and represents that: (a) Buyer has the full right, power, and authority to purchase the Property from Seller as provided in this Agreement and to carry out Buyer's obligations hereunder; (b) if Buyer is an entity, Buyer is duly organized and in good standing under the laws of the state in which it is organized and duly authorized to conduct business in the State or if Buyer is an individual, Buyer is lawfully capable of entering into and performing the obligations under this Agreement, provided however, in the event that Buyer assigns this Agreement to an entity pursuant to the terms of Article IX of this Agreement, any such entity shall be duly organized and in good standing under the laws of the state of its formation and qualified to transact business in the State; (c) all requisite action necessary to authorize Buyer to enter into this Agreement and to carry out Buyer's obligations has been obtained; (d) this Agreement has been duly authorized, executed and delivered by Buyer; and (e) the execution of this Agreement and the Closing to occur hereunder do not and will not violate any contract, covenant or other agreement to which Buyer may be a party or by which Buyer may be bound. The provisions of this Section shall survive Closing.

ARTICLE X. ASSIGNMENT

Buyer may not assign this Agreement, nor may any of Buyer's rights hereunder be transferred in any manner, nor may any of Buyer's rights hereunder or any ownership interest in

Buyer be transferred in any manner to any person or entity, without Seller's specific prior written consent, which consent may be withheld by Seller for any reason whatsoever except, however, that Buyer shall have the right to assign this Agreement, without Seller's consent, to an entity Controlled by Buyer; provided, however, any such assignment shall be binding on Seller only to the extent Buyer provides Seller with written intent to so assign, specifically naming the assignee and providing the signature block for the assignee, no later than the Closing Date and evidence reasonably satisfactory to Seller that the assignee is Controlled by Buyer. For purposes of this Article, "**Controlled**" means (i) direct or indirect management or control of the managing member or members in the case of a limited liability company; (ii) direct or indirect management or control of the managing general partner or general partners in the case of a partnership, and; (iii) (a) boards of boards of directors that overlap by fifty percent (50%) or more of their directors, or (b) direct or indirect control of a majority of the directors in the case of a corporation. If Buyer assigns this Agreement pursuant to the terms hereof: (a) the assignee shall be liable (jointly and severally with assignor) for all of Buyer's obligations hereunder; (b) the assignor (i.e., the original Buyer hereunder) shall remain obligated (but jointly and severally with assignee) with respect to all of Buyer's obligations hereunder; (c) the assignor and any assignee shall execute such instruments of assignment and assumption in form reasonably acceptable to Seller in confirmation of the provisions hereof, and; (d) the assignor and any assignee shall provide Seller with copies of the assignee's organizing documents including but not limited to a partnership agreement, operating agreement, and/or articles of incorporation.

ARTICLE XI. BROKERAGE

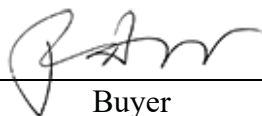
Buyer represents and warrants to Seller that Buyer has not contacted or entered into any agreement with any real estate broker, agent, finder, or any other party in connection with this transaction and that Buyer has not taken any action which would result in any real estate broker's finder's, or other fees or commissions being due or payable to any other party with respect to this transaction. Seller represents and warrants to Buyer that Seller has not contacted or entered into any agreement with any real estate broker, agent, finder, or party in connection with this transaction other than the Listing Broker, and that Seller has not taken any action which would result in any real estate broker's, finder's, or other fees or commissions being due and payable to any other party with respect to this transaction. Each party hereby indemnifies, protects, defends and agrees to hold the other party harmless from any loss, liability, damage, cost, or expense (including, but not limited to, reasonable attorneys' fees) resulting to the other party from a breach of the representation and warranty made by such party herein. Buyer agrees to pay the Listing Broker a commission or fee in the amount of one percent (1%) of the Purchase Price and shall deposit the funds into Escrow concurrently with the deposit into Escrow of the balance of the Purchase Price. The commission or fee shall be paid only if, as and when Closing actually occurs and the Purchase Price is received by Seller. Seller shall cause the Listing Broker to deliver in escrow to the Escrow Agent prior to Closing an executed receipt acknowledging that the Listing Broker has been paid in full for all commissions due with respect to this transaction and that the Listing Broker has no recourse against Seller or Buyer with respect to this transaction, which such receipt shall be released from escrow upon Closing and payment of the commission to the Listing Broker by the Escrow Agent. Any such commission or fee due Listing

Broker shall be based solely on the Purchase Price. The provisions of this Article XI shall survive the Closing or earlier termination of this Agreement.

**ARTICLE XII.
DEFAULT**

12.1 Buyer's Default. If this transaction shall not be closed because of default by Buyer, as Seller's sole and exclusive remedy, the Deposit shall be paid over to Seller as agreed as liquidated damages and not as a penalty, it being acknowledged by Buyer and Seller that in such event Seller will suffer substantial damages but such damages are incapable of exact ascertainment. In no event shall Seller be entitled to any other damages (including, without limitation, consequential or punitive damages). After payment to Seller of the Deposit, neither Seller nor Buyer shall have any further rights or obligations hereunder except with respect to the provisions hereof which specifically survive termination. If subsequent to Closing Buyer shall fail to comply with its obligations contained herein which survive Closing, Seller, in addition to any rights and remedies provided herein, shall be entitled to any and all remedies available at law or in equity (other than special, consequential or punitive damages).

SELLER AND BUYER ACKNOWLEDGE THAT SELLER'S DAMAGES WOULD BE DIFFICULT TO DETERMINE, AND THAT THE DEPOSIT IS A REASONABLE ESTIMATE OF SELLER'S DAMAGES RESULTING FROM A DEFAULT BY BUYER IN ITS OBLIGATION TO PURCHASE THE PROPERTY. SELLER AND BUYER FURTHER AGREE THAT THIS SECTION 12.1 IS INTENDED TO AND DOES LIQUIDATE THE AMOUNT OF DAMAGES DUE SELLER, AND SHALL BE SELLER'S EXCLUSIVE REMEDY AGAINST BUYER, BOTH AT LAW AND IN EQUITY, ARISING FROM OR RELATED TO A BREACH BY BUYER OF ITS OBLIGATION TO CONSUMMATE THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, OTHER THAN WITH RESPECT TO BUYER'S INDEMNITY AND CONFIDENTIALITY OBLIGATIONS HEREUNDER, AND SELLER'S RIGHT TO RECOVER ITS REASONABLE ATTORNEYS' FEES AND EXPENSES. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676, AND 1677.



Buyer

Seller

12.2 Seller's Default. If this transaction shall not be closed because of default of Seller, as Buyer's sole and exclusive remedy, Buyer may either (i) terminate this Agreement and the Deposit shall be returned to Buyer on demand and Seller shall reimburse Buyer for Buyer's reasonable and documented out of pocket expenses incurred by Buyer solely in connection with this Agreement (not including any fees, charges, or expenses of any kind for any financing being procured by Buyer), not to exceed Fifty Thousand Dollars (\$50,000) (the "**Expenses**"), whereupon neither party shall have any further rights or obligations hereunder except with respect to the provisions hereof which specifically survive termination, or (ii) seek to obtain

specific performance of Seller's obligations hereunder. In no event shall Buyer be entitled to other damages (including, without limitation, consequential or punitive damages). In the event Buyer elects to terminate this Agreement, upon return of the Deposit and the Expenses, the Agreement shall be terminated, and neither party shall have any further rights or obligations hereunder except with respect to the provisions hereof which specifically survive termination.

12.3 No Obligation of Seller after Closing. Buyer expressly acknowledges and agrees that Seller has no obligations with respect to the Property that survive Closing, except as specifically set forth herein. The provisions of this Section shall survive Closing.

ARTICLE XIII. NO JOINT VENTURE

Buyer acknowledges and agrees that Seller is not a venturer, co-venturer, insurer, guarantor or partner of Buyer in Buyer's development of, construction upon and resale of the Property, and that Seller shall bear no liability whatsoever resulting from or arising out of Buyer's ownership and development of, and construction upon, the Property. The provisions of this Article shall survive Closing.

ARTICLE XIV. MISCELLANEOUS

14.1 Risk of Loss.

- (a) Seller agrees to give Buyer prompt notice of any Event which has occurred and is pending to the extent Seller is aware of such Event or that occurs after the Execution Date and before the Closing Date.
- (b) If after the Execution Date and prior to Closing, (i) any Event shall occur which would cost an amount, greater than, or equal to, fifteen percent (15%) of the Purchase Price to repair or which would materially interfere with the present use of such Property, Buyer shall have the right to terminate this Agreement by giving notice to Seller within ten (10) days after Buyer has received notice from Seller, (ii) any Event shall occur which would cost an amount greater than or equal to fifty percent (50%) of the Purchase Price to repair, Buyer shall have the right to terminate this Agreement by giving notice to Seller within ten (10) days after the Buyer has received notice from Seller, or (iii) any actual or threatened taking or condemnation of all or any portion of the Property, Buyer shall have the right to terminate this Agreement by giving notice to Seller within ten (10) days after Buyer has received notice from Seller. Upon such termination, the Deposit, shall be returned to Buyer, and neither party shall have any further rights or obligations hereunder except with respect to the provisions hereof which specifically survive termination. If Buyer or Seller does not so timely elect to terminate this Agreement, Seller shall not be obligated to repair the Property, Closing shall take place as provided

herein and at Closing Seller shall assign to Buyer all interest of Seller in and to the Net Proceeds.

- (c) If, after the Execution Date and prior to Closing, any Event (other than any actual or threatened taking or condemnation of all or any portion of the Property) shall occur which would cost less than fifteen percent (15%) of the Purchase Price to repair or which would not materially interfere with the present use of the Property, Buyer may not terminate this Agreement, Seller shall not be obligated to repair the Property, Closing shall take place as provided herein, and at Closing Seller shall assign to Buyer all interest of Seller in and to the Net Proceeds.
- (d) At Closing, (i) Buyer shall reimburse Seller for any sums paid by Seller prior to Closing to repair damage caused by the Event and (ii) Buyer shall receive a credit for any Net Proceeds received by Seller prior to Closing. Seller shall retain the exclusive right to process and handle the claim with Seller's insurance company. Seller makes no representation or warranty with respect to the amount of the Net Proceeds, including, without limitation, whether Buyer will be entitled to the actual cash value or the replacement cost of the Property. Seller and Buyer agree to use good faith efforts to cooperate with each other in negotiating and resolving the amount of the Net Proceeds, including, without limitation, promptly providing any and all materials requested by the insurance company and promptly responding to any and all inquiries from the insurance company. Seller shall not agree to the amount of the Net Proceeds with the insurance company without Buyer's consent. Seller shall retain the right to resolve and retain any Proceeds in excess of the Purchase Price. Any payment by the insurance company shall be disbursed to Seller and/or Buyer in accordance with the provisions of this Section.
- (e) The provisions of this Section shall survive Closing.

14.2 Construction. The terms "**Seller**" and "**Buyer**" whenever used in this Agreement shall include the heirs, successors and assigns of the respective parties hereto; provided, however, that Buyer's right of assignment is restricted by the provisions hereof. Whenever used, the singular number shall include the plural and the plural the singular, and the use of any gender shall include all genders. The term "**including**" as used herein shall in all instances mean "**including, but not limited to**". The headings in this Agreement are intended solely for convenience of reference and shall be given no effect in the interpretation of this Agreement. This Agreement and any related instruments shall not be construed more strictly against one party than against the other by virtue of the fact that initial drafts may have been prepared by counsel for one of the parties, it being recognized that this Agreement and any related instruments are the product of extensive negotiations between the parties hereto.

14.3 Counterparts and Electronic Signatures. This Agreement may be executed in multiple counterparts by the parties hereto. All counterparts so executed shall constitute one agreement binding upon all parties, notwithstanding that all parties are not signatories to the

original or the same counterpart. Each counterpart shall be deemed an original Agreement all of which shall constitute one agreement to be valid as of the date of this Agreement. Facsimile, documents executed, scanned and transmitted electronically and electronic signatures shall be deemed original signatures for purposes of this Agreement and all matters related thereto, with such facsimile, scanned and electronic signatures having the same legal effect as original signatures. Seller and Buyer agree that this Agreement or any other document necessary for the consummation of the transaction contemplated by this Agreement may be accepted, executed or agreed to through the use of an electronic signature in accordance with the Electronic Signatures in Global and National Commerce Act ("**E-Sign Act**"), Title 15, United States Code, Sections 7001 et seq., the Uniform Electronic Transaction Act ("**UETA**") and any applicable state law. Any document accepted, executed or agreed to in conformity with such laws will be binding on both Seller and Buyer the same as if it were physically executed and Buyer and Seller hereby consent to the use of any third party electronic signature capture service providers as may be chosen by Seller or Buyer, as applicable.

14.4 Severability and Waiver. Invalidity of any one Section or provision of this Agreement by judgment or court order shall in no way affect any other Section or provision. Failure of any party to this Agreement to insist on the full performance of any of its provisions by the other party (or parties) shall not constitute a waiver of such performance unless the party failing to insist on full performance of the provision declares in writing signed by it that it is waiving such performance. A waiver of any breach under this Agreement by any party, unless otherwise expressly declared in writing, shall not be a continuing waiver or waiver of any subsequent breach of the same or other provision of this Agreement. The provisions of this Section shall survive Closing.

14.5 Governing Law. The laws of the State (without regard to conflicts of law) shall govern the validity, construction, enforcement and interpretation of this Agreement.

14.6 Further Acts. In addition to the acts and deeds recited in this Agreement and contemplated to be performed, executed, and/or delivered under this Agreement, Seller and Buyer agree to perform, execute and/or deliver or cause to be delivered, executed and/or delivered at Closing or after Closing all further acts, fees, and assurances reasonably necessary to consummate the transactions contemplated hereby.

14.7 Notices. All notices, demands, requests, and other communications required or permitted hereunder shall be in writing. Any notice given by Seller's attorney shall be deemed notice given by Seller. All such notices, demands, requests and other communications (and copies thereof) shall be deemed to be delivered: (a) if sent by messenger, upon personal delivery to the party to whom the notice is directed; (b) if sent by email on (i) the Business Day sent so long as such email notice is sent within business hours on that Business Day (unless a different time period is provided here) or (ii) the next Business Day if sent after business hours on the Business Day sent or sent on a day other than a Business Day, and in either case such email notice is followed by notice pursuant to provisions (a) or (c) of this Section or the party to whom such email notice is given acknowledges receipt; or (c) if sent by overnight courier, with request for next Business Day delivery, on the next Business Day after sending; addressed as follows (or to such other address as the parties may specify by notice given pursuant to this Section):

TO SELLER: CRA/LA, a Designated Local Authority
Daniel Kahn
448 South Hill Street, Suite 1200
Los Angeles, CA 90013

WITH A COPY TO: Thomas H. Webber
Goldfarb & Lipman, LLP
550 South Hope Street, Suite 2685
Los Angeles, CA 90014

TO BUYER: Joanne Heyler
Founding Director
221 South Grand Avenue
Los Angeles, CA 90012
E-mail: jheyler@thebroad.org

WITH A COPY TO: Munger, Tolles and Olson LLP
350 S. Grand Avenue, 50th Floor
Los Angeles, California 90071
Attn: Misty M. Sanford, Esq.
E-mail: Misty.Sanford@mto.com

14.8 Entire Agreement and Amendment. This Agreement contains the entire understanding between Buyer and Seller with respect to the subject matter hereof. Neither this Agreement nor any provision hereof may be modified, amended, changed, waived, discharged or terminated orally. Any such action may occur only by an instrument in writing signed by the party against whom enforcement of the modification, change, waiver, discharge or termination is sought.

14.9 Recording. This Agreement shall not be recorded and Buyer agrees that recording same constitutes a default by Buyer.

14.10 Exhibits. The Exhibits that are referenced in and attached to this Agreement are incorporated in, and made a part of, this Agreement for all purposes.

14.11 Time of the Essence. Seller and Buyer expressly agree that time is of the essence with respect to this Agreement. If the final day of any period or any date of performance under this Agreement falls on a date which is not a Business Day, then the final day of the period or the date of performance, as applicable, shall be extended to the next day which is a Business Day.

14.12 No Third Party Beneficiary. This Agreement is solely between Seller and Buyer and no other party shall be entitled to rely upon any provision hereof for any purpose whatsoever.

14.13 Back-Up Contract(s). Seller shall not negotiate with other parties or enter into back-up contracts for the sale of the Property so long as this Agreement is in full force and has not been terminated.

14.14 Limitation on Liability. Buyer and Seller each expressly agrees that the obligations and liabilities of the other party under this Agreement and any document referenced herein shall not constitute personal obligations of the officers, directors, shareholders, employees, agents, representatives, trustees, partners, members, certificate holders, or other principals of such party. The foregoing limitations of liability contained in the previous sentence shall apply equally and inure to the benefit of all of Seller's and Buyer's board members, officers, employees and Oversight Board members (as applicable). Notwithstanding anything to the contrary, Seller's liability, if any, arising in connection with this Agreement or with the Property shall be limited to Seller's interest in the Property for the recovery of any judgment against Seller, and Seller shall not be personally liable for any such judgment or deficiency after execution thereon. The provisions of this Section shall survive termination and Closing.

14.15 Legal Counsel and Joint Authorship. Each of Buyer and Seller has received independent legal advice from attorneys of its choice with respect to the advisability of making and executing this Agreement and the documents which, under the terms of this Agreement, are to be executed and delivered by Seller or Buyer or both at Closing (the "**Closing Documents**") or waived its right to do so. Buyer hereby acknowledges that Seller's counsel is not representing the Buyer or any interests of Buyer in connection with this Agreement or any other matter and that, unless Buyer is represented by counsel, Buyer has made the informed decision to not consult with an attorney of Buyer's choice prior to the execution of this Agreement. In the event of any dispute or controversy regarding authorship of this Agreement or the Closing Documents, Buyer and Seller shall be conclusively deemed to be the joint authors of this Agreement and the Closing Documents and no provision of this Agreement or the Closing Documents shall be interpreted against Buyer or Seller by reason of authorship.

14.16 Prohibited Persons. Buyer is not and will not be an entity (i) that is listed in the Annex to, or is otherwise subject to the provisions of Executive Order 13224 issued on September 24, 2001 ("**EO13224**"), (ii) whose name appears on the United States Treasury Department's Office of Foreign Assets Control ("**OFAC**") most current list of "**Specifically Designated National and Blocked Persons**" (which list may be published from time to time in various mediums including, but not limited to, the OFAC website) (iii) who commits, threatens to commit or supports "**terrorism**", as that term is defined in EO13224, (iv) is subject to sanctions of the United States government or is in violation of any federal, state, municipal or local laws, statutes, codes, ordinances, orders, decrees, rules or regulations relating to terrorism or money laundering, including, without limitation, EO13224 and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, or (v) who is otherwise affiliated with any entity or person listed above (any and all parties or persons described in clauses (i) – (v) above are herein referred to as a "**Prohibited Person**"). Buyer covenants and agrees that Buyer shall not (aa) conduct any business, nor engage in any transaction or dealing, with any Prohibited Person, including, but not limited to, the making or receiving of any contribution of funds, goods, or services, to or for the benefit of a Prohibited Person, or (bb) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in EO13224. The provisions of this Section shall survive Closing or termination of this Agreement.

ARTICLE XV. ESCROW TERMS

The Escrow Agent shall hold the Deposit in escrow on the following terms and conditions:

- (a) The Escrow Agent shall deliver the Deposit to Seller or Buyer, as the case may be, in accordance with the provisions of this Agreement.
- (b) Any notice to or demand upon the Escrow Agent shall be in writing and shall be sufficient only if received by the Escrow Agent within the applicable time periods set forth herein, if any. Notices to or demands upon the Escrow Agent shall be sent in accordance with Section 14.7 hereof, to the Contact Person and address set forth in the Defined Terms. Notices from the Escrow Agent to Seller or Buyer shall be delivered to them in accordance with Section 14.7 of this Agreement.
- (c) If the Escrow Agent shall have received notice signed by either party advising that litigation between the parties over entitlement to the Deposit has been commenced, the Escrow Agent shall, on demand of either party, deposit the Deposit with the clerk of the court in which such litigation is pending. If at any time the Escrow Agent is uncertain of its duties hereunder or if Escrow Agent for any other reason is no longer willing to serve as escrow agent, the Escrow Agent may, on notice to the parties, take such affirmative steps as it may, at its option, elect in order to terminate its duties as the Escrow Agent, including, but not limited to, the deposit of the Deposit with a court of competent jurisdiction and the commencement of an action for interpleader, the reasonable costs of which shall be borne by whichever of the parties is the losing party. Upon the taking by the Escrow Agent of such action described, the Escrow Agent shall be released of and from all liability hereunder as escrow agent, except for the gross negligence or willful misconduct of Escrow Agent.
- (d) The Escrow Agent shall not incur any liability in acting upon any signature, notice, demand, request, waiver, consent, receipt or other paper or document believed by the Escrow Agent to be genuine. The Escrow Agent may assume that any person purporting to give it any notice on behalf of any party in accordance with the provisions hereof has been duly authorized to do so, or is otherwise acting or failing to act under this Section except in the case of the Escrow Agent's gross negligence or willful misconduct.
- (e) The terms and provisions of this Article shall create no right in any person or entity other than the parties and their respective successors and permitted assigns and no third party shall have the right to enforce or benefit from the terms hereof.
- (f) The Escrow Agent has executed this Agreement for the sole purpose of agreeing to act as such in accordance with the terms of this Agreement.

ARTICLE XVI. LITIGATION

16.1 Attorneys' Fees; Jurisdiction; Venue. In the event of any litigation arising out of or under this Agreement and/or related to the sale/acquisition of the Property, the prevailing party shall be entitled to collect from the non-prevailing party reasonable attorneys' fees and costs. Buyer and Seller hereby submit to the jurisdiction of the Civil Courts of the State and the United States District Courts located in the State in respect of any suit or other proceeding brought in connection with or arising out of this Agreement and venue shall be in the County. The provisions of this Section shall survive Closing.

16.2 Dispute Resolution. It is the desire and intention of the parties to agree upon a mechanism and procedure under which controversies and disputes arising out of this Agreement or related to the sale/acquisition of the Property will be resolved in a prompt and expeditious manner. Accordingly, any action, proceeding or counterclaim brought by either party hereto against the other (and/or against its officers, directors, employees, agents or subsidiaries or affiliated entities) on any matters whatsoever arising out of or in any way connected with this Agreement, whether sounding in contract, tort, or otherwise, shall be heard and resolved by a referee under the provisions of the California Code of Civil Procedure, Sections 638 — 645.1, inclusive (as same may be amended, or any successor statute(s) thereto) (the "**referee sections**"). Any fee to initiate the judicial reference proceedings and all fees charged and costs incurred by the referee shall be paid by the party initiating such procedure (except that if a reporter is requested by either party, then a reporter shall be present at all proceedings where requested and the fees of such reporter – except for copies ordered by the other parties – shall be borne by the party requesting the reporter); the venue of the proceedings shall be in Los Angeles County. Within ten (10) days of receipt by any party of a written request to resolve any dispute or controversy pursuant to this Section 16.2, the parties shall agree upon a single referee who shall try all issues, whether of fact or law, and report a finding and judgment on such issues as required by the referee sections. If the parties are unable to agree upon a referee within such ten (10) day period, then any party may thereafter file a lawsuit in Los Angeles County for the purpose of appointment of a referee under the referee sections. If the referee is appointed by the court, the referee shall be a neutral and impartial retired judge with substantial experience in the relevant matters to be determined, from jams, the American Arbitration Association or similar mediation/arbitration entity. The proposed referee may be challenged by any party for any of the grounds listed in the referee sections. The referee shall have the power to decide all issues of fact and law and report his or her decision on such issues, and to issue all recognized remedies available at law or in equity for any cause of action that is before the referee, including an award of attorneys' fees and costs. The referee shall not, however, have the power to award punitive damages, nor any other damages which are not permitted by the express provisions of this Agreement, and the parties hereby waive any right to recover any such damages. The parties shall be entitled to conduct all discovery as provided in the California Code of Civil Procedure, and the referee shall oversee discovery and may enforce all discovery orders in the same manner as any trial court judge, with rights to regulate discovery and to issue and enforce subpoenas, protective orders and other limitations on discovery available under California law. The reference proceeding shall be conducted in accordance with California law (including the rules of evidence), and in all regards, the referee shall follow California law applicable at the time of the reference proceeding. The parties shall promptly and diligently cooperate with one another

and the referee and shall perform such acts as may be necessary to obtain a prompt and expeditious resolution of the dispute or controversy in accordance with the terms of this Section 16.2. In this regard, the parties agree that the parties and the referee shall use best efforts to ensure that (a) discovery be conducted for a period no longer than six (6) months from the date the referee is appointed, excluding motions regarding discovery, and (b) a trial date be set within nine (9) months of the date the referee is appointed. In accordance with section 644 of the California Code of Civil Procedure, the decision of the referee upon the whole issue must stand as the decision of the court, and upon the filing of the statement of decision with the clerk of the court, or with the judge if there is no clerk, judgment may be entered thereon in the same manner as if the action had been tried by the court. Any decision of the referee and/or judgment or other order entered thereon shall be appealable to the same extent and in the same manner that such decision, judgment, or order would be appealable if rendered by a judge of the superior court in which venue is proper hereunder. The referee shall in his/her statement of decision set forth his/her findings of fact and conclusions of law. The parties intend this general reference agreement to be specifically enforceable in accordance with the Code of Civil Procedure. Nothing in this Section 16.2 shall prejudice the right of any party to obtain provisional relief or other equitable remedies from a court of competent jurisdiction as shall otherwise be available under the code of civil procedure and/or applicable court rules.

16.3 WAIVER OF JURY TRIAL. TO THE EXTENT PERMITTED BY LAW, THE PARTIES HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT AND ANY DOCUMENT EXECUTED IN CONNECTION HERewith OR RELATED HERETO, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES TO ENTER INTO THIS TRANSACTION.

Buyer and Seller have executed this Agreement as of the Execution Date.

SELLER:

CRA/LA, A DESIGNATED LOCAL AUTHORITY

By: _____

Estevan Valenzuela
Chief Executive Officer

APPROVED AS TO FORM:

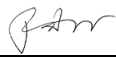
GOLDFARB & LIPMAN LLP

By: _____

Thomas H. Webber
CRA/LA Legal Counsel

BUYER:

THE BROAD, A CALIFORNIA NONPROFIT
PUBLIC BENEFIT CORPORATION

By:  _____

Name: Joanne Heyler

Its: Founding Director

EXECUTION BY ESCROW AGENT

The Escrow Agent executes this Agreement for the purposes of acknowledging its Agreement to serve as escrow agent in accordance with the terms of the Agreement and to acknowledge receipt of the Deposit of One Hundred Thousand Dollars (\$100,000) (if in the form of a check, subject to clearance) from Buyer as the Deposit due thereunder.

CHICAGO TITLE COMPANY

By: _____

Date: _____, 2020

EXHIBIT A

LEGAL DESCRIPTION

LOTS 3 AND 5 OF TRACT NO. 67492, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1380, PAGES 43 THROUGH 57, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, GAS AND MINERAL SUBSTANCES TOGETHER WITH THE RIGHT TO EXTRACT SUCH SUBSTANCES PROVIDED THAT THE SURFACE OPENING OF ANY WELL, HOLE, SHAFT, OR OTHER MEANS OF REACHING OR REMOVING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE BUNKER HILL URBAN RENEWAL PROJECT AREA, AS RECORDED IN BOOK M-335 PAGE 106, OFFICIAL RECORDS, AND SHALL NOT PENETRATE ANY PART OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF AS PROVIDED IN DEED RECORDED MAY 12 1961 AS INSTRUMENT NO. 1809 IN BOOK D1219 PAGE 666, OFFICIAL RECORDS AND BY VARIOUS OTHER DEEDS OF RECORD.

APN: 5151-004-928 and 5151-004-930

EXHIBIT B
FORM OF GRANT DEED

RECORDING REQUESTED BY:

[_____]

WHEN RECORDED, MAIL THIS DEED TO:

MAIL ALL TAX STATEMENTS TO:

APN: _____

(Space Above For Recorder's Use)

The undersigned Grantor declares:

DOCUMENTARY TRANSFER TAX IS \$ _____.

City of [_____]

Computed on the basis of the full value of interest or property conveyed.

GRANT DEED

FOR VALUE RECEIVED, the receipt and sufficiency of which are hereby acknowledged, **CRA/LA, A DESIGNATED LOCAL AUTHORITY**, successor to the former Community Redevelopment Agency of the City of Los Angeles, California, a public body, hereby grants to _____ all of that certain real property more particularly described in Schedule 1 attached hereto and incorporated herein by this reference, subject to (a) all non-delinquent real property taxes, (b) all non-delinquent special assessments, if any, (c) all other liens, easements, encumbrances, covenants, conditions, restrictions and other matters of record, and (d) all matters affecting the status of title that would be revealed by an accurate survey of the subject property.

Grantor disclaims any and all express or implied warranties regarding the Property other than the implied warranties stated in Section 1113 of the California Civil Code.

1. Grantee herein covenants by and for itself, its successors and assigns that there shall be no discrimination against or segregation of a person or of a group of persons on account of race, color, religion, creed, national origin, ancestry, disability (actual or perceived), medical condition, age, source of income, familial status, marital status, domestic partner status, sex, sexual preference/orientation, Acquired Immune Deficiency Syndrome (AIDS) – acquired or perceived, or any additional basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, as such provisions may be amended from time to time, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property herein conveyed nor shall the Grantee or any person claiming under or through the Grantee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, vendees, or employees in the Property herein conveyed. The foregoing covenant shall run with the land.

All deeds, leases or other real property conveyance contracts entered into by the Grantee on or after the date of this Grant Deed as to any portion of the Property shall contain the following language:

(a) In Deeds:

"Grantee herein covenants by and for itself, its successors and assigns that there shall be no discrimination against or segregation of a person or of a group of persons on account of race, color, religion, creed, national origin, ancestry, disability (actual or perceived), medical condition, age, source of income, familial status, marital status, domestic partner status, sex, sexual preference/orientation, Acquired Immune Deficiency Syndrome (AIDS) – acquired or perceived, or any additional basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, as such provisions may be amended from time to time, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property herein conveyed nor shall the grantee or any person claiming under or through the grantee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, vendees, or employees in the property herein conveyed. The foregoing covenant shall run with the land."

(b) In Leases:

"The lessee herein covenants by and for the lessee and lessee's heirs, personal representatives and assigns and all persons claiming under or through the lessee that his lease is made subject to the condition that there shall be no discrimination against or segregation of any person or of a group of persons on account of race, color, religion, creed, national origin, ancestry, disability

(actual or perceived), medical condition, age, source of income, familial status, marital status, domestic partner status, sex, sexual preference/orientation, Acquired Immune Deficiency Syndrome (AIDS) – acquired or perceived, or any additional basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, as such provisions may be amended from time to time, in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the land herein leased nor shall the lessee or any person claiming under or through the lessee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, vendees, or employees in the land herein leased."

(c) In Contracts:

"There shall be no discrimination against or segregation of any person or group of persons on account of race, color, religion, creed, national origin, ancestry, disability (actual or perceived), medical condition, age, source of income, familial status, marital status, domestic partner status, sex, sexual preference/orientation, Acquired Immune Deficiency Syndrome (AIDS) – acquired or perceived, or any additional basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, as such provisions may be amended from time to time, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property nor shall the transferee or any person claiming under or through the transferee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, vendees, or employees of the land."

2. The covenants contained in this Grant Deed shall be construed as covenants running with the land.

Dated: _____, 2020
AUTHORITY

CRA/LA, A DESIGNATED LOCAL

By: _____
Its: _____

Approved as to Form:

GOLDFARB & LIPMAN LLP

By: _____

EXHIBIT C

SECTION 6.1(e) ENCUMBRANCES

[Schedule B from Buyer's pro forma title insurance policy shall be attached hereto]