

RESOLUTION NO. 2013-35-PFA

A RESOLUTION OF THE PUBLIC FINANCE AUTHORITY OF THE CITY OF BELL APPROVING A PURCHASE AND SALE AGREEMENT BETWEEN THE CITY OF BELL, THE BELL PUBLIC FINANCING AUTHORITY AND PI BELL LLC FOR SALE OF PROPERTIES GENERALLY REFERRED TO AS THE BELL BUSINESS CENTER PROJECT, APPROXIMATELY 40.2 ACRES AND COMPRISED OF FOUR, NON-CONTINGUOUS BUILDING SITES LOCATED WEST OF EASTERN AVENUE ON RICKENBACKER ROAD, CITY OF BELL, CA 90201. (APN: Parcel A: 6332-002-965; Parcel F: 6332-002-948 and 6332-002-945; Parcel G: 6332-002-949 and Parcel H: 6332-002-946, 6332-002-950, 6332-002-952 and 6332-002-954) AND AUTHORIZING CITY OF BELL CHIEF ADMINISTRATIVE OFFICER TO ACT ON BEHALF OF THE CITY IN THE EXECUTION OF SAME.

WHEREAS, the Bell Public Financing Authority ("Authority") was duly formed as a Joint Powers Authority in 1991, under the laws of the Joint Powers Act (Section 6500 *et seq.* of the California Government Code), pursuant to an agreement between the City of Bell ("City") and the former Redevelopment Agency of the City; and

WHEREAS, pursuant to Section 6507 of the California Government Code, a joint powers authority such as the Authority is a public entity, wholly separate and distinct from its members; and

WHEREAS, pursuant to Section 6508 of the California Government Code, a joint powers authority such as the Authority has the express power to hold or dispose of property; and

WHEREAS, the Authority issued its Taxable Lease Revenue Bonds in the principal amount of \$35M (the "Bonds") which were purchased by Dexia Credit Local ("Dexia") on October 31, 2007 with approximately 25 acres of land consisting of three parcels (the Bell Federal Service site at 5600 Rickenbaker Road, the "Property"), pledged as security for the Bonds; and

WHEREAS, the Bonds were to be repaid through a lease of the Property to Burlington Northern and Santa Fe, a railroad holding company ("BNSF"), but the lease agreement was voided due to a successful lawsuit by Eastyard Communities that the project violated the California Environmental Quality Act, decided on August 14, 2008; and

WHEREAS, the Bonds matured on November 1, 2010 when the principal amount of \$35M was due, and the Authority was in default, and on October 14, 2011 Dexia filed suit against the Authority alleging \$38M in damages including costs and lost interest, seeking to foreclose on the Property, and seeking to recover for any deficiencies in the Property value against the City's General Fund; and

WHEREAS, the Authority and the City entered into a Stipulation for Settlement ("Stipulation") with Dexia Credit Local ("Dexia"), which was approved by the Los Angeles Superior Court on June 10, 2013, under which the Property, along with another parcel of land within the City (collectively defined and referred to herein as the "Site") will be sold to a purchaser pursuant to the terms set forth in the Stipulation in order to avoid foreclosure on the Property by Dexia; and

WHEREAS, PI Bell LLC, a Delaware limited liability company ("Buyer"), made a proposal to the City and to the Bell Public Financing Authority ("Authority") on April 5, 2013,

outlining the terms of a future purchase of the Site pursuant to the terms of the Stipulation, and the City and the Authority accepted said proposal; and

WHEREAS, the City, Authority, and Buyer have fully negotiated a Purchase and Sale Agreement (the "Agreement", attached hereto as Exhibit "A"), memorializing the terms of said proposal, and Buyer has confirmed with Dexia that said Agreement also meets the requirements set forth under the Stipulation; and

WHEREAS, the Agreement will be executed in conjunction with a Development Agreement (the "DA"), which provides for eco-friendly development on the Site, sustainable and high-quality job creation for the City's residents, and long-term revenue generation for the City; and

WHEREAS, the execution of the Agreement and the DA will fully satisfy any obligation to Dexia, and release the City and Authority therefrom.

NOW, THEREFORE, BASED ON THE EVIDENCE PRESENTED TO THE AUTHORITY, INCLUDING THE WRITTEN STAFF REPORT AND ORAL TESTIMONY ON THIS MATTER, THE AUTHORITY DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

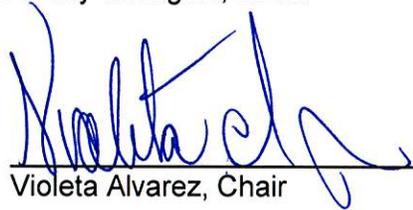
Section 1: The above recitals are all true and correct and are incorporated herein by this reference.

Section 2: The Authority hereby approves the Agreement in the form attached hereto as Exhibit A.

Section 3: The Agreement and the instruments referenced therein are hereby approved for execution and delivery by the Executive Director of the Authority and/or any other authorized officers with such changes or modifications as the Chair or Executive Director and/or any such other authorized officers of the Authority may deem necessary (as conclusively evidenced by the execution thereof) to effectuate their purpose. The Secretary of the Authority is hereby authorized to attest to the Agreement and such instruments.

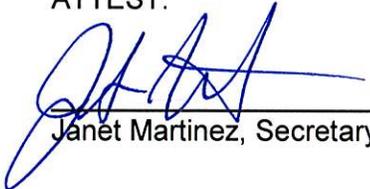
Section 4: The Chair or Executive Director of the Authority and/or any other authorized officers are hereby authorized to take such actions, perform such deeds, and execute, acknowledge and deliver such instruments and documents as they deem necessary to effectuate the transactions contemplated under the Agreement.

PASSED, APPROVED AND ADOPTED this 7 day of August, 2013.



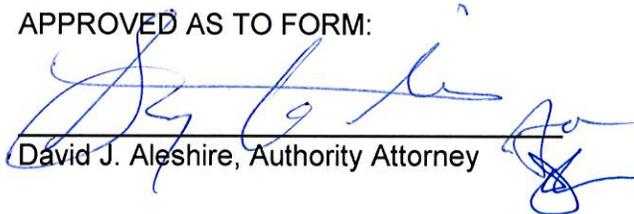
Violeta Alvarez, Chair

ATTEST:



Janet Martinez, Secretary

APPROVED AS TO FORM:



David J. Aleshire, Authority Attorney

EXHIBIT A
PURCHASE AND SALE AGREEMENT
[See Attached]

**AGREEMENT FOR PURCHASE AND SALE
OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS**

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS ("**Agreement**") is entered into as of September ~~24~~, 2013 ("**Effective Date**"), by and between PI Bell LLC, a Delaware limited liability company ("**Buyer**" or "**Developer**"), THE CITY OF BELL, a California Charter City (the "**City**") and THE BELL PUBLIC FINANCING AUTHORITY, a California Joint Powers Authority, as sellers of parcel F, G, H, and A (collectively, jointly and severally, "**Sellers**" or "**City Parties**"), with reference to the Recitals set forth below, and is a part of that certain "Development Agreement" entered into concurrently herewith and authorized pursuant to the Government Code Section 65864 *et seq.* This Agreement shall also constitute the joint escrow instructions of Buyer and Sellers to First American Title Insurance Company at 777 South Figueroa Street, 4th Floor, Los Angeles, CA 90017, Attention: Anthony Rivera ("**Escrow Holder**"). Seller and Buyer are sometimes hereinafter referred to individually as a "**Party**" and collectively as the "**Parties**".

RECITALS

A. Sellers are the owners of four (4) parcels of land located at 5600 Rickenbacker Road, City of Bell, California, 90201: Parcel A, comprising approximately 14.5 net acres, Parcel F, comprising approximately 11.6 net acres, Parcel G, comprising approximately 3.6 net acres, and Parcel H, comprising approximately 10.5 net acres (collectively, the "**Property**", as further defined below in Section 1 of this Agreement.)

B. Parcel A is currently subject to a lease with BNSF Railway Company ("**BNSF**" and the "**BNSF Lease**"), which is set to expire on July 31, 2018. Further, Dexia has a deed of trust on Parcel A which can be re-conveyed.

C. The Property is currently undeveloped and is centrally located between downtown Los Angeles and the Long Beach Ports. As such, this Agreement is being executed concurrently with the execution of a Development Agreement to ensure use of the Property in a way that will generate tax revenue and create employment opportunities for Bell's residents, while providing mutual benefits to Buyer.

D. Portions of the Property previously served as security for certain bonds, issued by the Authority and purchased by Dexia Credit Local ("**Dexia**"). The Bonds were secured by revenue from certain leases, which were invalidated based on a lawsuit challenging the Project (as hereinafter defined) approvals. The Bonds are currently in default, and on October 14, 2011, Dexia sued the City Parties to foreclose the Property and recover any deficiencies against the City Parties. The Property, or portions thereof, is now being sold in accordance with the terms of a Stipulation for Settlement with Dexia (the "**Stipulation**", the terms of which are incorporated herein by this reference), which requires a purchase offer to meet the following conditions (a "**Qualifying Offer**"): (i) the Property must be purchased with all cash, (ii) the closing must occur prior to December 1, 2013, subject to extension under limited circumstances as provided for in the Stipulation, (iii) the per square foot value of the offer exceeds Twenty Nine Dollars and Ninety Cents per square foot (\$29.90/sq. ft.); (iv) there are no contingencies beyond normal and

customary contingencies, (v) Buyer will use the Property in compliance with relevant legal and environmental requirements, including City code requirements and zoning requirements, (vi) the terms of the offer must satisfy Dexia's credit criteria, and (vii) Buyer assumes the risks and obligations of environmental review and approval of the results thereof.

E. To that end, on April 5, 2013, Buyer submitted an offer to purchase the Property, and has confirmed with Dexia that such offer is a Qualifying Offer. The Stipulation further contemplated that the City would undertake a process with the Developer to obtain approvals (the "Entitlements") of a development project (the "Project"), and that such an entitled Project would enhance the value of the Property sufficiently so that Dexia would forego its claim against the City Parties for recovery of any deficiency.

F. This Agreement is being entered into pursuant to the terms of an Exclusive Negotiation Agreement by and between Buyer and Sellers (the "ENA", the terms of which are incorporated herein by this reference), whereby (i) the Parties would pursue the Entitlements to develop a Project producing an adequate financial return to Buyer, and (ii) Buyer has had the opportunity to conduct due diligence and title review of the Property. As used herein, "Entitlements" shall mean receipt by Buyer of all final Project entitlements, including without limitation all necessary governmental approvals, consents and permits to develop its Project (other than building permits) with any necessary appeals periods and statutes of limitation relating thereto having expired without challenge, all to Buyer's satisfaction and approval, except that should such periods extend beyond December 1, 2013, this Agreement shall be subject to termination unless extensions are granted to Sellers by Dexia.

G. Pursuant to the ENA, Buyer has completed its due diligence review and title review of the Property, and has approved the condition of title (subject to the provisions of this Agreement) and of the Property (subject to obtaining the Entitlements). Buyer has further paid two good-faith deposits (the "Deposits"), totaling One Million Dollars (\$1,000,000.00), which will be applied toward the balance of the Purchase Price owed hereunder.

H. Pursuant to the ENA and Buyer's offer, Buyer will apply for New Market Tax Credits (the "NMTCs") and consider using the same for the purpose of developing the Property. Buyer has agreed to pay fifty percent (50%) of all tax credits received by Buyer obtained through New Market Tax Credits to Sellers in addition to the Purchase Price, in addition to developing a community benefit package which will not be required to exceed \$25,000 in value.

I. Furthermore, Buyer and Sellers are obtaining approval of a Development Agreement (the "DA"), the terms of which are consistent with the ENA and which will govern the use and development of the Property. This Agreement is an element of the DA and is attached thereto and is incorporated in the terms of the DA.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Buyer and Seller hereby agree as follows:

AGREEMENT

1. PURCHASE AND SALE OF PROPERTY.

1.1. Purchase and Sale of Parcels F, G, H, and A.

Sellers are the owners of Parcels A, F, G and H, comprising that certain real property located at 5600 Rickenbacker Road, City of Bell, County of Los Angeles, State of California, 90201, more particularly described in Exhibit "A", attached hereto and by this reference incorporated herein, together with all improvements thereon (the "**Property**"). Buyer hereby agrees to purchase from Sellers, and Sellers agree to sell to Buyer the Property, together with (i) all privileges, rights, easements, appurtenances belonging to the real property (excluding all rights belonging to third parties); (ii) all development rights, air rights, utility capacity rights, water rights and water stock relating to the real property; (iii) all right, title, and interest of Seller in and to any streets, alleys, passages, other easements, and rights-of-way or appurtenances included in, adjacent to or used in connection with the Property; (iv) all permanent improvements which pursuant to applicable law belong to the Sellers and are a part of the Property; and (v) any other property not expressly reserved by Sellers.

1.2. Sale of Property and Parcel A Together or Separately.

Parcels F, G and H may be sold together with Parcel A, or separate from Parcel A, pursuant to this Agreement, provided that the sale of Parcels F, G and H without Parcel A is sufficient to satisfy all obligations existing pursuant to the Stipulation. Notwithstanding this provision, the sale of the Parcels F, G and H, whether sold apart or together with Parcel A, must comply with the Stipulation, including without limitation any provisions on minimum price, closing deadlines, or otherwise. Buyer shall have the right, pursuant to this Agreement, to purchase Parcel A regardless of whether Parcel A is sold together with, or apart from, the remaining Parcels. However, the sale of Parcels F, G and H shall be a condition precedent to the sale of Parcel A.

2. OPENING OF ESCROW.

2.1. Project Entitlements; Development Agreement.

This Agreement shall be executed by Buyer and submitted to Sellers prior to the hearings by the City Council on the Project Entitlements, and by Sellers following approval of the Project Entitlements.

2.2. Opening of Escrow.

Within one (1) business day after the full execution of this Agreement the parties shall open an escrow ("**Escrow**") with First American Title Insurance Company (the "**Escrow Holder**") by causing an executed copy of this Agreement to be deposited with Escrow Holder, together with deposit of good funds, which shall include a wire transfer of funds, cashier's or certified check drawn on or issued by the offices of a financial institution located in the State of California, or cash ("**Good Funds**"), by the Buyer, having been deposited by the Buyer pursuant to the ENA (with such funds under the ENA being transferred into the Escrow referred to

above), of One Million Dollars (\$1,000,000) (the “**Good Faith Deposit**”). Escrow shall be deemed open on the date that a fully executed copy of this Agreement and the Good Faith Deposit are delivered to Escrow Holder (“**Opening of Escrow**”). The Good Faith Deposit shall be applied to the purchase price of the Property at Closing (as defined below), or otherwise disbursed as provided herein. Buyer and Sellers hereby agree to execute such additional instructions not inconsistent with this Agreement as may be reasonably required by Escrow Holder, including without limitation to provide instruction regarding a phased sale of the Property followed by Parcel A.

2.3. Closing Date.

Escrow shall close within 10 business days after the Parties have each certified in writing the satisfactory completion of the following: (i) the Project Entitlements have been approved, and (ii) the period for which any legal challenge may be made has expired without such challenge, but under no circumstances later than December 1, 2013 (the “**Closing Date**”), unless otherwise extended as memorialized in a writing signed by the Parties and subject to the terms of the Stipulation. The terms “Close of Escrow” and/or “Closing” are used herein to mean the time Seller’s Grant Deed is filed for recording by the Escrow Holder in the Office of the County Recorder of Los Angeles County, California.

To the extent Parcel A is sold after and apart from sale of the Property pursuant to this Agreement, upon sale of the Property, Escrow shall remain open only as to those conditions and obligations relating to Parcel A.

3. PURCHASE PRICE.

3.1. Amount of Purchase Price.

The total purchase price for the Property shall be Forty Four Million, Five Hundred Thousand Dollars (\$44,500,000) (the “**Purchase Price**”). Buyer’s Good Faith Deposits paid to Escrow Holder as provided above shall be credited against the amount owed for the Purchase Price. The Purchase Price comprises the following amounts per parcel:

- (a) Parcel A: \$15,500,000
- (b) Parcel F, G, H: \$29,000,000

Buyer may elect not to acquire Parcel A in which case Buyer will only pay the portion of the Purchase Price allocable to Parcels F, G and H.

3.2. Payment of Purchase Price.

On the Close of Escrow, Buyer shall deposit the balance of the Purchase Price for the Property and Parcel A, together with the Entitlement Expenses, with Escrow Holder in Good Funds. Escrow Holder shall disburse the cash amount of the Purchase Price to Sellers after recordation of the grant deed transferring title to the Property and Parcel A to Buyer.

4. **ADDITIONAL FUNDS AND DOCUMENTS REQUIRED FROM BUYER AND SELLER.**

4.1. **Buyer.**

Buyer agrees that on or before 12:00 noon on the Closing Date, Buyer will deposit with Escrow Holder all additional funds and/or documents (executed and acknowledged, if appropriate) which are necessary to comply with the terms of this Agreement, including, without limitation, the following:

- (a) A Preliminary Change of Ownership Statement completed in the manner required in Los Angeles County; and
- (b) Such funds and other items and instruments as may be necessary in order for Escrow Holder to comply with this Agreement.

4.2. **Sellers.**

Sellers agree that on or before 12:00 noon on the Closing Date, Seller will deposit with Escrow Holder such funds and other items and instruments (executed and acknowledged, if appropriate) as may be necessary in order for the Escrow Holder to comply with this Agreement, including, without limitation, the following:

- (a) Executed and recordable grant deeds ("**Grant Deed**"), substantially in the form attached hereto as Exhibits "B" and "C" as appropriate, conveying the parcels of the Property to Buyer.
- (b) An assignment of lease ("**Assignment**"), substantially in the form attached hereto as Exhibit "D", and a notice to the tenant thereunder notifying of the assignment.
- (c) Two duplicate originals of a Non-Foreign Affidavit in the form attached hereto as Exhibit "E" ("**Non-foreign Affidavit**").
- (d) Such funds and other items and instruments as may be necessary in order for Escrow Holder to comply with this Agreement.

4.3. **Recordation, Completion and Distribution of Documents.**

Escrow Holder will cause the Grant Deed to be recorded when (but in no event after the date specified in Section 2.3 above) Escrow Holder can issue the Title Policy, in the form described in Section 5 below, and holds for the account of Sellers the items described above to be delivered to Sellers through Escrow, less costs, expenses and disbursements chargeable to Sellers pursuant to the terms hereof.

5. **TITLE MATTERS.**

5.1. **Approval of Title.**

- (a) The Parties hereby acknowledge and agree that pursuant to the ENA, Sellers have provided Buyer with a preliminary title report issued through First American Title Insurance Company describing the state of title to the Property, together with copies of all exceptions specified therein and a map plotting all easements specified therein (collectively, the “**Preliminary Title Report**”).
- (b) The Parties further agree and acknowledge that Buyer has reviewed the Preliminary Title Report, and has either (i) approved the condition of the title of the Property as is, or (ii) approved the condition of the title subject to certain exceptions within the Preliminary Title Report (the “**Outstanding Title Issues**”). The Parties agree and acknowledge that (1) Sellers have received the Outstanding Title Issues from Buyer (as described on Exhibit F) and agreed to resolve and satisfy all such Outstanding Title Issues to the extent possible within Seller’s legal capacity to Buyer’s reasonable satisfaction, and (2) notwithstanding anything to the contrary, if the Outstanding Title Issues are not so resolved, Buyer may terminate this Agreement, in which event all the Good Faith Deposit shall be returned to Buyer.

5.2. **Title Policy.**

When Escrow Holder holds for Buyer the Grant Deed in favor of Buyer executed and acknowledged by Sellers covering the Property, Escrow Holder shall cause to be issued and delivered to Buyer and Sellers as of the Close of Escrow a CLTA standard coverage owner’s policy of title insurance (“**Title Policy**”), or, upon Buyer’s request therefor, an ALTA extended coverage owner’s policy of title insurance, issued by Title Company, with liability in the amount of the Purchase Price, covering the Property and showing title vested in Buyer free of encumbrances, except:

- (a) All non-delinquent general and special real property taxes and assessments for the current fiscal year;
- (b) Those easements, encumbrances, covenants, conditions, restrictions, reservations, rights-of-way and other matters of record shown on the Preliminary Title Report and not objected to by Buyer as provided herein;
- (c) The standard printed exceptions and exclusions contained in the CLTA or ALTA form policy;

- (d) Any exceptions created or consented to by Buyer, including, without limitation, any exceptions arising by reason of Buyer's possession of or entry on the Property.

Notwithstanding the foregoing, Sellers shall (i) pay-off or discharge any mortgage, judgment or lien created by or resulting from any act or omission of Sellers, including matters relating to Dexia, (ii) pay-off, bond or otherwise cause to be discharged of record in a manner reasonably satisfactory to Purchaser any mechanic's lien resulting from any act or omission of Sellers, and (iii) satisfy and resolve all the Outstanding Title Issues (subsections (i) through (iii) are collectively referred to as the "**Mandatory Cure Exceptions**").

6. **DUE DILIGENCE.**

6.1. **Due Diligence Period.**

The Parties hereby acknowledge and agree that, pursuant to the terms of the ENA, Buyer has conducted a due diligence review of (i) all documents concerning the Property, (ii) soils conditions from a geotechnical and environmental aspect, (iii) the physical condition of the Property, and all improvements thereon, (iv) the condition of the title (except for the Mandatory Cure Exceptions), and (v) the zoning and governmental regulations concerning the Property (except for receipt of the Entitlements). The Parties acknowledge and agree that Buyer has completed its review of the following:

- (a) Copies of all engineering reports, soils studies, soils compaction reports, grading plans, geologic studies, drainage plans or reports, tentative parcel maps, development agreements, governmental permits and approvals and any conditions thereto, environmental audits and reports, environmental remediation plans (and all correspondence and documents related thereto), environmental impact reports, permits, inspections, reports, notices and/or correspondence regarding governmental agency review and approval respecting fire, building, health, zoning and use compliance, if any.

- (b) The most recently available survey of the Property, if any, showing all Improvements and things located on the Property and within ten (10) feet of the outside property line of the Property.

Notwithstanding the foregoing, the City has not provided any of the following confidential and proprietary materials (collectively, the "**Excluded Materials**"), which the City is under no obligation to provide: (i) information contained in City's credit reports, credit authorization, credit for financial analyses or projections, account summaries, or other internal documents relating to the Property, including any valuations documents and the book value of the Property; (ii) material which is subject to attorney-client privilege or which is attorney work product; (iii) appraisal reports or letters; and (iv) material which City is legally required not to disclose.

The Parties acknowledge and agree that Buyer has completed its investigation, examination, and inspection of all matters pertaining to its acquisition of the Property, including all financial, physical, environmental and compliance matters, entitlement and other conditions respecting the Property (except as it relates to the Entitlements and the Outstanding Title Issues),

and has, or had the opportunity to, enter the Property for purposes of performing a survey, feasibility studies and such other examination as Buyer reasonably deemed necessary.

The Parties acknowledge and agree that Buyer has approved all due diligence matters, and has notified Seller in writing to that effect, and that no further due diligence is required hereunder (other than as it relates to the Entitlements and the Outstanding Title Issues).

7. CONDITIONS PRECEDENT TO CLOSE OF ESCROW.

7.1. Conditions to Buyer's Obligations.

The obligations of Buyer under this Agreement shall be subject to the satisfaction or written waiver, in whole or in part, by Buyer of each of the following conditions precedent (and if the same are not so satisfied, then Buyer may terminate this Agreement and, should failure to satisfy such condition constitute a Default hereunder, or with respect to subsection (a) below, receive a return of all Good Faith Deposits):

- (a) All Entitlements have been approved in accordance with the terms of the ENA and DA, and the period for which any legal challenge to the Entitlements or environmental review has passed.
- (b) Title Company will issue the Title Policy as required by Section 6 of this Agreement insuring title to the Property vested in Buyer, with Sellers having cured any Mandatory Cure Exceptions.
- (c) The Parties have negotiated and are concurrently executing and entering into the DA with this Agreement.
- (d) Sellers have deposited the executed Grant Deeds into Escrow.
- (e) All representations and warranties specified in Section 9 are true and correct.
- (f) Since completion of review of the Preliminary Title Report conducted pursuant to the ENA, there has been no material adverse change to the condition of title to the Property.
- (g) Since completion of due diligence review of the Property under the ENA, there has been no material adverse change to the condition of the Property.
- (h) Seller has delivered to Escrow Holder an executed Assignment of the BNSF Lease to the Buyer, or such Lease shall have expired.
- (i) Escrow Holder holds and will deliver to Buyer the instruments and funds, if any, accruing to Buyer pursuant to this Agreement.

- (j) Buyer will have received satisfactory estoppel documents from BNSF.

7.2. Condition to Seller's Obligations.

The obligations of Sellers under this Agreement shall be subject to the satisfaction or written waiver, in whole or in part, by Sellers of the following condition precedent:

- (a) Escrow Holder holds and will deliver to Sellers the instruments and funds accruing to Sellers pursuant to this Agreement.
- (b) Should the Closing Date extend beyond December 1, 2013, Dexia has not validly exercised any rights it may have under the Stipulation to either (i) terminate the Stipulation, or (ii) terminate the sale of the Property contemplated by this Agreement (including, without limitation, any rights Dexia may have under Section 15 of the Stipulation).
- (c) The DA is executed concurrently with this Agreement.

7.3. Covenant of Seller and Buyer.

Buyer and Sellers agree to cooperate with one another, at no cost or expense to the cooperating party, in satisfying the conditions precedent to Close of Escrow. Buyer shall be responsible for proceeding with diligence and in good faith to satisfy the conditions to Buyer's performance set forth in Section 7.1 and Sellers shall be responsible for proceeding with diligence and in good faith to satisfy the conditions to Sellers' performance set forth in Section 7.2.

8. CONDITION OF THE PROPERTY.

8.1. Disclaimer of Warranties. Upon the Closing of Escrow, Buyer shall acquire the Property in its "AS-IS" condition and Buyer shall be responsible for any defects in the Property, whether patent or latent, including, without limitation, the physical, environmental and geotechnical condition of the Property, and the existence of any contamination, Hazardous Materials (as hereinafter defined), vaults, debris, pipelines, or other structures located on, under or about the Property, and Sellers make no other representation or warranty concerning the physical, environmental, geotechnical or other condition of the Property, and Sellers, including the Authority and City, specifically disclaim all representations or warranties of any nature concerning the Property made by them and their respective employees, agents and representatives, except as expressly provided herein or in the ENA. The foregoing disclaimer includes, without limitation, topography, climate, air, water rights, utilities, soil, subsoil, existence of Hazardous Materials or similar substances, the purpose for which the Property is suited, or drainage.

8.2. Hazardous Materials. Buyer understands and agrees that, in the event Buyer incurs any loss or liability concerning Hazardous Materials (as hereinafter defined) and/or underground storage tanks whether attributable to events occurring before or following the

Closing, then Buyer may look to current or prior owners of the Property, but in no event shall Buyer look to Sellers, including the Authority and City, for any liability or indemnification regarding Hazardous Materials and/or underground storage tanks. Buyer, and each of the entities constituting Buyer, if any, from and after the Closing, hereby waives, releases, remises, acquits and forever discharges Sellers, including the Authority and City, their directors, officers, shareholders, employees, and agents, and their heirs, successors, personal representatives and assigns, of and from any and all Environmental Claims, Environmental Cleanup Liability and Environmental Compliance Costs, as those terms are defined below, and from any and all actions, suits, legal or administrative orders or proceedings, demands, actual damages, punitive damages, loss, costs, liabilities and expenses, which concern or in any way relate to the physical or environmental conditions of the Property, the existence of any Hazardous Material thereon, or the release or threatened release of Hazardous Materials there from after the Closing. It is the intention of the parties pursuant to this release that any and all responsibilities and obligations of Sellers, including the Authority and City, and any and all rights, claims, rights of action, causes of action, demands or legal rights of any kind of Buyer, its successors, assigns or any affiliated entity of Buyer, against the Sellers, including the Authority and City, arising by virtue of the physical or environmental condition of the Property, the existence of any Hazardous Materials thereon, or any release or threatened release of Hazardous Material there from after the Closing, are by this release provision declared null and void and of no present or future force and effect as to the parties; provided, however, that no parties other than the Indemnified Parties (defined below) shall be deemed third party beneficiaries of such release.

In connection therewith, Buyer and each of the entities constituting Buyer, expressly agree to waive any and all rights which said party may have with respect to such released claims under Section 1542 of the California Civil Code which provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.”

BUYER'S INITIALS: MM SELLERS' INITIALS: VA and MW

Buyer shall, from and after the Closing, defend, indemnify and hold harmless Sellers, including the Authority and City, and their officers, directors, employees, agents and representatives (collectively, the “**Indemnified Parties**”) from and against any and all Environmental Claims, Environmental Cleanup Liability, Environmental Compliance Costs, and any other claims, actions, suits, legal or administrative orders or proceedings, demands or other liabilities resulting from the physical and/or environmental conditions of the Property solely occurring after Closing (but not for periods of time before Closing) or from the existence of any Hazardous Materials or the release or threatened release of any Hazardous Materials of any kind whatsoever, in, on or under the Property solely occurring after Closing (but not for periods of time before Closing), including, but not limited to, all foreseeable and unforeseeable damages, fees, costs, losses and expenses, including any and all reasonable attorneys' fees and environmental consultant fees and investigation costs and expenses, directly or indirectly arising there from, and including fines and penalties of any nature whatsoever, assessed, levied or asserted against any Indemnified Parties to the extent that the fines and/or penalties are the result of a violation or an alleged violation of any Environmental Law. Buyer further agrees that in

the event Buyer obtains, from former or present owners of the Property or any other persons or entities, releases from liability, indemnities, or other forms of hold harmless relating to the subject matter of this Section, Buyer shall use its diligent efforts to obtain for Sellers, including the Authority and City, the same releases, indemnities and other comparable provisions.

For purposes of this Section, the following terms shall have the following meanings:

“Environmental Claim” means any claim for personal injury, death and/or property damage made, asserted or prosecuted by or on behalf of any third party, including, without limitation, any governmental entity, relating to the Property or its operations and arising or alleged to arise under any Environmental Law.

“Environmental Cleanup Liability” means any cost or expense of any nature whatsoever incurred to contain, remove, remedy, clean up, or abate any contamination or any Hazardous Materials on or under all or any part of the Property, including the ground water hereunder, including, without limitation, (i) any direct costs or expenses for investigation, study, assessment, legal representation, cost recovery by governmental agencies, or ongoing monitoring in connection therewith and (ii) any cost, expense, loss or damage incurred with respect to the Property or its operation as a result of actions or measures necessary to implement or effectuate any such containment, removal, remediation, treatment, cleanup or abatement.

“Environmental Compliance Cost” means any cost or expense of any nature whatsoever necessary to enable the Property to comply with all applicable Environmental Laws in effect. *“Environmental Compliance Cost”* shall include all costs necessary to demonstrate that the Property is capable of such compliance.

“Environmental Law” means any federal, state or local statute, ordinance, rule, regulation, order, consent decree, judgment or common-law doctrine, and provisions and conditions of permits, licenses and other operating authorizations relating to (i) pollution or protection of the environment, including natural resources, (ii) exposure of persons, including employees, to Hazardous Materials or other products, raw materials, chemicals or other substances, (iii) protection of the public health or welfare from the effects of by-products, wastes, emissions, discharges or releases of chemical substances from industrial or commercial activities, or (iv) regulation of the manufacture, use or introduction into commerce of chemical substances, including, without limitation, their manufacture, formulation, labeling, distribution, transportation, handling, storage and disposal.

“Hazardous Material” is defined to include any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of California, or the United States Government. The term *“Hazardous Material”* includes, without limitation, any material or substance which is: (i) petroleum or oil or gas or any direct or derivate product or byproduct thereof; (ii) defined as a *“hazardous waste,”* *“extremely hazardous waste”* or *“restricted hazardous waste”* under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code; (iii) defined as a *“hazardous substance”* under Section 25316 of the California Health and Safety Code; (iv) defined as a *“hazardous material,”* *“hazardous substance,”* or *“hazardous waste”* under Sections 25501(o) and (p) and 25501.1 of the California Health and Safety Code (Hazardous Materials Release

Response Plans and Inventory); (v) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code (Underground Storage of Hazardous Substances); (vi) "used oil" as defined under Section 25250.1 of the California Health and Safety Code; (vii) asbestos; (viii) listed under Article 9 or defined as hazardous or extremely hazardous pursuant to Article 1 of Title 22 of the California Code of Regulations, Division 4, Chapter 30; (ix) defined as "waste" or a "hazardous substance" pursuant to the Porter-Cologne Act, Section 13050 of the California Water Code; (x) designated as a "toxic pollutant" pursuant to the Federal Water Pollution Control Act, 33 U.S.C. § 1317; (xi) defined as a "hazardous waste" pursuant to the Federal Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq. (42 U.S.C. § 6903); (xii) defined as a "hazardous substance" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, et seq. (42 App. U.S.C. § 9601); (xiii) defined as "Hazardous Material" or a "Hazardous Substance" pursuant to the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq.; or (xiv) defined as such or regulated by any "Superfund" or "Superlien" law, or any other federal, state or local law, statute, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning Hazardous Materials, oil wells, underground storage tanks, and/or pipelines, as now, or at any time hereafter, in effect.

Notwithstanding any other provision of this Agreement, Buyer's release and indemnification as set forth in the provisions of this Section, as well as all other provisions of this Section, shall survive the termination of this Agreement and shall continue following Project completion upon the entire Property (including Parcel A), as such completion is demonstrated by the issuance of a certificate of occupancy for all Project improvements on each Parcel as further described in the DA. Such indemnification and release shall be set forth in the covenants, conditions and restrictions relating to the Site, and shall run with the land.

Notwithstanding anything to the contrary in this Section, Buyer's release and indemnification of the Indemnified Parties from liability pursuant to this Section shall not extend to Hazardous Materials brought onto the Property or released on the Property by Sellers or City or their respective contractors, tenants (excluding BNSF and/or its successors and assigns in connection with the BNSF Lease), agents or employees, or claims that relate to fraud, willful misconduct, or gross negligence of City or its contractors, tenants, agents, or employees.

9. REPRESENTATIONS AND WARRANTIES.

9.1. Representations and Warranties. Sellers hereby make the following representations and warranties to Buyer, each of which (i) is material and relied upon by Buyer in making its determination to enter into this Agreement; (ii) to Sellers' actual knowledge, is true in all respects as of the date hereof and shall be true in all respects on the date of Close of Escrow on the Property; and (iii) shall survive the Close of Escrow of the purchase and sale of the Property, as well as any future transfer of the Property to Buyer or any transferee, successor or assignee of Buyer. Notwithstanding the foregoing, Sellers make no representation as to the accuracy of completeness of any report or information supplied by any third party nor shall Sellers be bound in any manner by any verbal or written statements, representations, appraisals, environmental assessment reports, or other information pertaining to the Property or the operation thereof, furnished by any third party. Sellers shall not be liable for any failure to investigate the Property.

- (a) Except as provided in the materials provided under the ENA for the purpose of conducting due diligence (the “**Due Diligence Materials**”), there are no pending litigation, allegations, lawsuits or claims, whether for personal injury, property damage, property taxes, contractual disputes or otherwise, which do or may affect the Property or the operation or value thereof, and there are no actions or proceedings pending or, to the best of Sellers’ knowledge, threatened against Sellers before any court or administrative agency in any way connected with the Property and neither the entering into of this Agreement nor the consummation of the transactions contemplated hereby will constitute or result in a violation or breach by Sellers of any judgment, order, writ, injunction or decree issued against or imposed upon it. There is no action, suit, proceeding or investigation pending against Sellers which would become a cloud on Buyer’s title to or have a material adverse impact upon the Property or any portion thereof or which questions the validity or enforceability of the transaction contemplated by this Agreement or any action taken pursuant hereto in any court or before or by any federal, district, county, or municipal department, commission, board, bureau, agency or other governmental instrumentality.
- (b) Except as provided in the Due Diligence Materials, including the BNSF Lease and the Stipulation, there are no contracts, leases, claims or rights affecting the Property and no agreements entered into by or under Sellers shall survive the Close of Escrow that would adversely affect Buyer’s rights with respect to the Property, except as heretofore disclosed in writing by Sellers to Buyer pursuant to this Agreement and the ENA. Copies of the currently in force leases have been delivered to Buyer concurrent with delivery of this signed Agreement.

Until the Closing, Sellers shall not do anything which would impair Sellers’ title to any of the Property or create any new encumbrance to title. Sellers have no knowledge that anyone will, at the Closing, have any right to possession of the Property, except as disclosed by this Agreement or otherwise in writing to Buyer.

- (c) Sellers have delivered true, correct and complete copies of all the documents and other information specified in Section 6 herein and Section I(E) of the ENA in Sellers’ custody.
- (d) Except for the Stipulation, there are no executory contracts, options or agreements existing (other than this Agreement and the DA) relating to the purchase of all or any portion of the Property. The Property was not owned previously by any redevelopment agency.

- (e) All federal, state, municipal, county and local taxes, the nonpayment of which might become a lien on or affect all or part of the Property, which are due and payable prior to the Closing have been paid, or on the Closing Date will have been paid in full.
- (f) Sellers are the fee owner of record of the Property and has obtained, or will obtain before the Close of Escrow, all required consents, releases and permissions in order to vest good and marketable title in Buyer.
- (g) The closing of the various transactions contemplated by this Agreement will not constitute or result in any default or event that with the notice or lapse of time, or both, would be a default, breach or violation of any lease, mortgage, deed of trust or other agreement, instrument or arrangement by which Sellers or the Property are bound. Subject to the consent of Dexia pursuant to the Stipulation, the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not violate any provision of, or require any consent, authorization or approval under any law or administrative regulation or any order, award, judgment, writ, injunction or decree applicable to, or any governmental permit or license issued to Sellers relating to the Property.
- (h) Other than those conditions or encumbrances expressly identified in the Preliminary Title Report which have been approved by Buyer pursuant to Section 5.1 above and the Due Diligence Materials, to the best of Sellers' knowledge, there are no defects or conditions of the Property which may impair the use of the Property.

All representations and warranties made hereunder are in addition to any representations and warranties implied by law and in no event shall this Section be construed to limit, diminish or reduce any obligation of disclosure implied upon Sellers by law. All representations and warranties made hereunder "to the best of Sellers' knowledge," or similar phrases, mean the current actual conscious awareness of facts by Sellers or any current officer or director of the Sellers without any duty of investigation or inquiry; and shall not mean that any Sellers' Party is charged with knowledge of the acts, omissions and/or knowledge of Sellers' predecessors in title to the Property.

9.2. Release.

Buyer releases Sellers from all claims which Buyer or any party related to or affiliated with Buyer (each a "**Buyer Related Party**") has or may have arising from or related to any matter or thing related to or in connection with the Property, including the documents and information referred to herein, any construction, soils or grading defects, engineering defects, errors or omissions in the design, construction or grading and any environmental conditions,

except for the violation of any representation or warranty in accordance with the express provisions of Article 8 and the terms of Section 12, and Buyer shall not look to Sellers in connection with the foregoing for any redress or relief. This release shall be given full force and effect according to each of its expressed terms and provisions, including those relating to unknown and unsuspected claims, damages and causes of action, and, in that regard, Buyer hereby expressly waives all rights and benefits it may now have or hereafter acquire under California Civil Code Section 1542 which provides:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.”

This Section shall survive the termination of this Agreement and the Closing Date and shall not be deemed to have merged into any of the documents executed or delivered at the Closing. To the extent required to be operative, the disclaimers or warranties contained herein are “conspicuous” disclaimers for purposes of any applicable law, rule, regulation or order.

10. BNSF LEASE.

Prior to Closing, Seller shall deliver to Escrow Holder an executed Assignment of that certain Lease, dated August 8, 2000, between the Bell Public Financing Authority, a joint exercise of powers agency, and the Burlington Northern Santa Fe Railway Company, a Delaware corporation, and all amendments thereto, transferring all of Seller’s interests, rights, and obligations which exist or arise out of the BNSF Lease to the Buyer, substantially in the form attached hereto as Exhibit “D”, and all rents thereunder shall be prorated at Closing and any security deposit thereunder shall be assigned to Buyer at Closing. After the date hereof, Sellers shall not modify or amend the BNSF Lease, or enter into any other lease or contract affecting any of the Property, except with Buyer approval.

11. ESCROW PROVISIONS.

11.1. Escrow Instructions.

This Agreement, when signed by Buyer and Sellers, shall also constitute escrow instructions to Escrow Holder. If required by Escrow Holder, Buyer and Sellers agree to execute Escrow Holder’s standard escrow instructions, provided that the same are consistent with and do not conflict with the provisions of this Agreement. In the event of any such conflict, the provisions of this Agreement shall prevail.

11.2. General Escrow Provisions.

Escrow Holder shall deliver the Title Policy to the Buyer and instruct the Los Angeles County Recorder to mail the Grant Deed to Buyer at the address set forth in Section 17 after recordation. All funds received in this Escrow shall be deposited in one or more general escrow accounts of the Escrow Holder with any bank doing business in Los Angeles County, California, and may be disbursed to any other general escrow account or accounts. All disbursements shall be made by Escrow Holder’s check or wire transfer. This Agreement and any modifications,

amendments, or supplements thereto may be executed in counterparts and shall be valid and binding as if all of the parties' signatures were on one document.

11.3. Proration of Real Property Taxes.

- (a) All non-delinquent general and special real property taxes shall be prorated to the Close of Escrow on the basis of a thirty (30) day month and a three hundred sixty (360) day year. Sellers acknowledge that Buyer is a governmental agency, not subject to payment of taxes. Accordingly, Sellers shall be solely responsible for seeking a refund of any overpayment of taxes from the appropriate taxing agencies.
- (b) Utilities and other expenses of the Property which are payable by or to the owner of the Property shall be prorated to the Close of Escrow on the basis of a thirty (30) day month and a three hundred sixty (360) day year. Any party who is obligated to pay net amounts based on said final proration shall reimburse the other party said amount within five (5) business days after completion of the final proration.
- (c) Sellers shall receive a credit for any refundable utility or governmental deposits made by Sellers with respect to the Property and shall assign Buyer all rights to refund of same.

11.4. Payment of Costs.

Buyer shall pay for the following: 100% of the charges for the additional portion of the Title Policy premium which is attributable to any requested title endorsements for Buyer and 50% of Escrow fees. Sellers shall pay for the following: one hundred percent (100%) of the documentary stamp and transfer taxes and recording fees and the Title Policy premiums, and 50% of Escrow fees. Sellers and Buyer shall each be responsible for their respective attorneys' fees and costs. All other costs of Escrow not otherwise specifically allocated by this Section shall be apportioned between the parties in a manner consistent with the custom and usage of Escrow Holder in Los Angeles County.

11.5. Termination and Cancellation of Escrow.

If Escrow fails to close as provided above, Escrow shall terminate automatically without further action by Escrow Holder or any party, and Escrow Holder is instructed to return all funds and documents then in Escrow to the respective depositor of the same with Escrow Holder. Cancellation of Escrow, as provided herein, shall be without prejudice to whatever legal rights Buyer or Sellers may have against each other arising from the Escrow or this Agreement. Notwithstanding the above, if Escrow fails to close after Buyer's approval of the condition of the Property pursuant to Section 7.3, and Buyer is not otherwise entitled to terminate this Agreement or receive a return of the Good Faith Deposit hereunder, Sellers shall be entitled to retain the Good Faith Deposit as an offset to its costs.

11.6. Distribution of Funds and Documents.

- (a) Except as provided herein, cash received by Escrow Holder will be kept on deposit in an interest-bearing account with interest accruing to Buyer's benefit.
- (b) Escrow Holder will pay interest on cash received by it.
- (c) All disbursements by Escrow Holder will be by its checks or wire transfer pursuant to instructions by the Parties hereto.
- (d) Escrow Holder will, at Close of Escrow, pay, from funds to which Sellers will be entitled and from funds, if any, deposited by Sellers with Escrow Holder, to the appropriate obligees, all monetary encumbrances caused, permitted or suffered by Sellers, other than those permitted by Section 5.2 hereof.
- (e) Escrow Holder will cause the County Recorder to mail the Grant Deed (and each instrument which is recorded) after recordation, to Buyer.
- (f) Escrow Holder will, at close of Escrow, deliver by United States mail (or hold for personal pickup, if requested) each non-recorded instrument received by Escrow Holder to payee or person (i) acquiring rights under the instrument or (ii) for whose benefit the instrument was obtained.
- (g) Escrow Holder will, at close of Escrow, send by United States mail or wire transfer (or hold for personal pickup), as requested, (i) to Sellers, or order, the balance of the cash portion of the Total Price to which Sellers will be entitled and (ii) to Buyer, or order, any excess funds delivered to Escrow Holder by Buyer.
- (h) Escrow Holder will, at close of Escrow, send by United States mail (or hold for personal pickup, if requested) to Buyer and Sellers a copy of each document caused to be recorded by Escrow Holder (conformed to show recording data).
- (i) Escrow Holder will report the transaction to the Internal Revenue Service as required by Section 6045 of the Internal Revenue Code. The Parties will provide Escrow Agent with all documents needed to satisfy this reporting requirement.

11.7. Information Report.

Escrow Holder shall file and Buyer and Sellers agree to cooperate with Escrow Holder and with each other in completing any report ("**Information Report**") and/or other information required to be delivered to the Internal Revenue Service pursuant to Internal Revenue Code

Section 6045(e) regarding the real estate sales transaction contemplated by this Agreement, including without limitation, Internal Revenue Service Form 1099-B as such may be hereinafter modified or amended by the Internal Revenue Service, or as may be required pursuant to any regulation now or hereinafter promulgated by the Treasury Department with respect thereto. Buyer and Sellers also agree that Buyer and Sellers, their respective employees and attorneys, and escrow Holder and its employees, may disclose to the Internal Revenue Service, whether pursuant to such Information Report or otherwise, any information regarding this Agreement or the transactions contemplated herein as such party reasonably deems to be required to be disclosed to the Internal Revenue Service by such party pursuant to Internal Revenue Code Section 6045(e), and further agree that neither Buyer nor Sellers shall seek to hold any such party liable for the disclosure to the Internal Revenue Service of any such information.

11.8. Brokerage Commissions.

Buyer represents that it is solely responsible for payment of the Buyer's Broker commission (if Buyer has engaged any such broker on its behalf) and shall hold Sellers harmless for any claim for payment of commission made by Buyer's Broker. Sellers represent that they are solely responsible for payment of the Seller's Broker commission (including any commission to CBRE resulting from Sellers' employment of CBRE as Sellers' Broker) and shall hold Buyer harmless for any claim for payment of commission made by Seller's Broker. No other consultant, broker, salesman or finder has been engaged by it in connection with any of the transactions contemplated by this Agreement or, to its knowledge, is in any way connected with any of such transactions. In the event of any other claim for broker's, consultant's or finder's fees or commissions in connection with the negotiation, execution or consummation of this Agreement, then Buyer shall indemnify, save harmless and defend Seller from and against such claim if it shall be based upon any statement, representation or agreement made by Buyer, and Sellers shall indemnify, save harmless and defend Buyer from and against such claim if it shall be based upon any statement, representation or agreement made by Sellers.

12. TERMINATION AND CANCELLATION OF ESCROW,

12.1. Automatic Termination. Time is of the essence in this Agreement. If Escrow fails to close as provided above, Escrow shall terminate automatically without further action by Escrow Holder or any party, and Escrow Holder is instructed to return all funds and documents then in Escrow to the respective depositor of the same with Escrow Holder, subject to Section 15 herein. Cancellation of Escrow, as provided herein, shall be without prejudice to whatever legal rights Buyer or Sellers may have against each other arising from the Escrow or this Agreement.

12.2. Right to Terminate. The closing shall occur on the Closing Date, or as soon thereafter as the Escrow is in condition for Closing; provided, however, that if the Closing does not occur by the Closing Date and said date is not extended by mutual instructions of the Parties and with the consent of Dexia, the Escrow shall be deemed terminated without further notice or instructions.

12.3. Delivery of Documents. If this sale of the Property is not consummated for any reason other than Sellers' breach or default, then at Sellers' request, Buyer shall within five (5) days after written request deliver to Sellers, at no charge, copies of all surveys, engineering

studies, soil reports, maps, master plans, feasibility studies and other similar items prepared by or for Buyer that pertain to the Property (without any representation or warranty as to the accuracy or completeness thereof). Provided, however, that Buyer shall not be required to deliver any such report if the written contract which Buyer entered into with the consultant who prepared such report specifically forbids the dissemination of the report to others.

12.4. **Breach/Termination.** If either party fails to perform any of its obligations herein before the Closing, then the non-breaching party may elect the applicable remedies set forth herein and in Section 15 of this Agreement, which remedies will be the sole and exclusive remedies of the non-breaching party with respect to a default by the other party. If this transaction is terminated as a result of Buyer's breach of this Agreement then Buyer shall pay Title Company and Escrow Holder cancellation fees and costs. In addition, Buyer's failure to cause Closing to occur timely and/or Buyer's election not to perform under the Agreement will constitute Buyer's agreement to bear the cost of any escrow cancellation, title cancellation and other cancellation charges pursuant to the terms herein. If this transaction is terminated as a result of Sellers' breach of this Agreement then Sellers shall pay the Title Company and Escrow Holder cancellation fees and costs. If this Agreement shall be terminated for failure to satisfy a condition of Closing, then each party shall be responsible for one-half of Escrow fees and costs incurred to the date of such termination.

12.5. **Remedies.** Notwithstanding anything to the contrary herein, if either party commits a material breach of any covenants, representations, warranties or other agreements set forth herein, the non-defaulting party may either (i) proceed with the transaction, or (ii) terminate Escrow and pursue those remedies available in Section 15 herein. Nothing herein prevents the non-defaulting party from filing a Los Angeles County Superior Court action for specific performance if there is a material default by defaulting party.

13. RISK OF PHYSICAL LOSS.

Risk of physical loss to the Property shall be borne by Sellers prior to the Close of Escrow and by Buyer thereafter. In the event that the Property shall be damaged by fire, flood, earthquake, environmental contamination or other casualty Buyer shall have the option to terminate this Agreement, provided that (i) notice of such termination is delivered to Sellers within ten (10) days following the date Buyer learns of the occurrence of such casualty, provided such date is prior to the Closing Date, or (ii) Dexia has consented to an extension of the Closing in accordance with the Stipulation should Buyer require further time to evaluate and consider a casualty. If Buyer fails to terminate this Agreement pursuant to the foregoing sentence within said ten (10) day period, Buyer shall complete the acquisition of the Property, in which case Sellers shall assign to Buyer the interest of Sellers in all insurance proceeds relating to such damage (subject to the rights of tenants under leases of the Property). Sellers shall consult with Buyer regarding any proposed settlement with the insurer and Buyer shall have the reasonable right of approval thereof. Sellers shall hold such proceeds until the Close of Escrow. In the event this Agreement is terminated for any reason, Buyer shall have no right to any insurance proceeds.

14. EXTENSION.

The Closing Date may not be extended under any circumstance, except with the express consent of Dexia pursuant to the Stipulation. In the event that Dexia agrees to an extension, such extension shall be granted if requested by Buyer and/or Sellers.

15. DEFAULTS; ENFORCEMENT.

15.1. Defaults and Right to Cure. Either party may terminate this Agreement if the other party should fail to comply with and perform in a timely manner any material obligation to be performed by such other party under this Agreement, provided the party seeking to terminate this Agreement shall provide at least ten (10) days written notice to the other party of such failure or nonperformance and such other party shall have a ten (10) day period within which to cure such failure or nonperformance (or such longer period as may be reasonably necessary to cure such failure or nonperformance if such failure or nonperformance cannot reasonably be cured with such 10-day period).

15.2. Seller's Remedies. Termination shall be the sole remedy for uncured default by Buyer, provided that Sellers shall be permitted to keep the Good Faith Deposit in the event of Buyer's uncured default. Notwithstanding the foregoing, in no event shall any cure period hereunder extend the term of this Agreement.

15.3. Buyer's Remedies. In the event of an uncured default by the Sellers, Buyer's sole remedy shall be to terminate this Agreement and seek return of the Good Faith Deposit, or to seek specific performance of this Agreement. Seller's failure to avoid foreclosure by Dexia shall not constitute a default by Sellers (but shall permit Buyer to terminate this Agreement and recover all the Good-Faith Deposit).

Notwithstanding the foregoing, if the Sellers, in bad faith, or in breach of this Agreement, (i) enters into a Conveyance Instrument for the Property with any other person or entity during the term of this Agreement, except where that other person is a Back-Up Developer, and Sellers have the option of entering into a Conveyance Instrument pursuant to the terms of the ENA, or (ii) fails to execute the documents called for herein once they have been approved, in breach of this Agreement, then upon termination of this Agreement, Buyer may seek injunctive relief to prohibit the City from selling or using the Property and seek specific performance.

15.4. Limitation on Remedies. Except as expressly provided in this Agreement, neither party shall have any liability to the other for damages or otherwise for any default, nor shall either Party have any other claims with respect to performance under this Agreement. Each Party specifically waives and releases any such rights or claims it may otherwise have at law to in equity and expressly waives any rights to special or consequential damages or specific performance from the other Party under this Agreement, except as expressly provided for above. Notwithstanding the generality of the foregoing, Buyer specifically acknowledges that (i) the Stipulation requires that Buyer waive any right or cause of action against Dexia for Dexia's exercise of its rights under the Stipulation and (ii) neither the Stipulation nor this Agreement requires any party, whether Dexia, Sellers or Buyer, to defend the project Entitlements in the event of a legal challenge, and accordingly Buyer shall not have any right or cause of action against Sellers (or Dexia) should Sellers (or Dexia) elect not to defend the project Entitlements.

16. NON COLLUSION.

No official, officer, or employee of the Sellers has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of the Sellers participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be consistent with State law and shall not include interest found to be "remote" or "non interest" pursuant to California Government Code Sections 1091 and 1091.5. Buyer warrants and represents that (s)he/it has not paid or given, and will not pay or give, to any third party including, but not limited to, a Seller official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded this Agreement. Buyer further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any Seller official, officer, or employee, as a result or consequence of obtaining or being awarded any agreement. Buyer is aware of and understands that any such act(s), omission(s) or other conduct resulting in the payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

Buyer Initials MM

17. ASSIGNMENT.

Neither party shall have the right to assign this Agreement or any interest or right hereunder or under the Escrow without the prior written consent of the other party; however, notwithstanding the above, the Buyer's assignment of its rights and obligations under this Agreement to another entity which is owned or controlled (directly or indirectly) by Buyer which assignee shall own, develop and operate the Property pursuant to the conditions, covenants, restrictions, and provisions of the DA, is permitted without Sellers' approval. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of Buyer and Sellers and their respective heirs, personal representatives, successors and assigns.

18. ATTORNEYS' FEES.

In any action between the parties hereto seeking enforcement of any of the terms and provisions of this Agreement or the Escrow, or otherwise in connection with the Property, the prevailing party in such action shall be entitled, to have and to recover from the other party its reasonable attorneys' fees and other reasonable expenses in connection with such action or proceeding, in addition to its recoverable court costs.

19. NOTICES.

Any notice which either party may desire to give to the other party or to the Escrow Holder must be in writing and may be given by personal delivery or by mailing the same by registered or certified mail, return receipt requested, to the party to whom the notice is directed at

the address of such party hereinafter set forth, or such other address and to such other persons as the parties may hereafter designate:

To City: City of Bell
6330 Pine Avenue
Bell, California 90201
Attention: City Manager

To Authority: Bell Public Financing Authority
6330 Pine Avenue
Bell, California 90201
Attention: Executive Director

Copy To: Aleshire & Wynder, LLP
18881 Von Karman Avenue, Suite 1700
Irvine, California 92612
Attention: David J. Aleshire, Esq.

To Buyer: PI Bell, LLC
6272 Pacific Coast Highway, Suite #E
Long Beach, California 90803
Attention: Neil Mishurda

Copy To: DLA Piper US, LLP
1717 Main Street, Suite 75201
Dallas, Texas 75201
Attention: Craig Anderson

To Escrow Holder: First American Title Insurance Company, at the address
provided on Page 1.

To Title Company: First American Title Insurance Company, at the address
provided on Page 1

20. INTERPRETATION; GOVERNING LAW.

This Agreement shall be construed according to its fair meaning and as if prepared by both parties hereto. This Agreement shall be construed in accordance with the laws of the State of California in effect at the time of the execution of this Agreement. Titles and captions are for convenience only and shall not constitute a portion of this Agreement. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates.

21. NO WAIVER.

No delay or omission by either party in exercising any right or power accruing upon the compliance or failure of performance by the other party under the provisions of this Agreement

shall impair any such right or power or be construed to be a waiver thereof. A waiver by either party of a breach of any of the covenants, conditions or agreements hereof to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions hereof.

22. MODIFICATIONS.

Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made by written instrument or endorsement thereon and in each such instance executed on behalf of each party hereto.

23. SEVERABILITY.

If any term, provision, condition or covenant of this Agreement or the application thereof to any party or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this instrument, or the application of such term, provisions, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

24. MERGER OF PRIOR AGREEMENTS AND UNDERSTANDINGS.

This Agreement and other documents incorporated herein by reference contain the entire understanding between the parties relating to the transaction contemplated hereby and all prior to contemporaneous agreements, understandings, representations and statements, oral or written, are merged herein and shall be of no further force or effect.

25. CONSENT OF PARTIES.

Whenever by the terms of this Agreement the consent or approval of Buyer or Sellers is to be given, such consent or approval shall be evidenced by the signature of one person designated for such purpose. Initially such person for Sellers shall be Doug Willmore and such person for Buyer shall be Neil Mishurda. Such designated persons may be changed by the party so designating at any time by the delivery of a written notice to the other party.

26. NO WITHHOLDING BECAUSE NON-FOREIGN SELLER.

Sellers represent and warrant to Buyer that Sellers are not, and as of the Close of Escrow will not be, a foreign person within the meaning of Internal Revenue Code Section 1445 or an out-of-state seller under California Revenue and Tax Code Section 18805 and that it will deliver to Buyer on or before the Close of Escrow a non-foreign affidavit on Escrow Holder's standard form pursuant to Internal Revenue Code Section 1445(b)(2) and the Regulations promulgated thereunder and a California Form 590-RE.

27. EXECUTION IN COUNTERPARTS.

This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all parties are not signatories to the original or the same counterpart.

28. EXHIBITS.

Exhibits "A" through "D", inclusive, attached hereto, are incorporated herein by this reference, and shall consist of:

Exhibit A: Legal Description of Property

Exhibit B: Form of Grant Deed - City of Bell

Exhibit C: Form of Grant Deed - Bell Public Financing Authority

Exhibit D: Form of Lease Assignment

Exhibit E: Non-foreign Affidavit

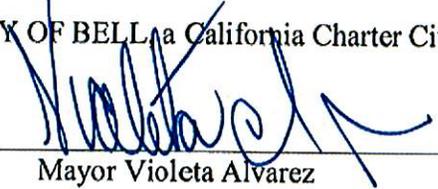
Exhibit F: Outstanding Title Issues

[END - SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement for Purchase and Sale of Real Property and Escrow Instructions as of the date set forth above.

"SELLERS"

CITY OF BELL, a California Charter City

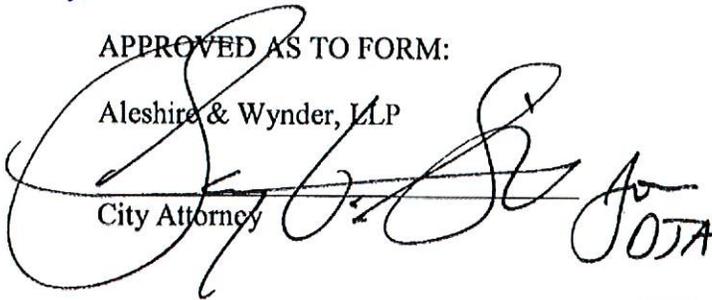
By: 
Mayor Violeta Alvarez

ATTEST:

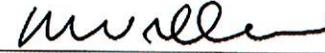

City Clerk

APPROVED AS TO FORM:

Aleshire & Wynder, LLP


City Attorney

BELL PUBLIC FINANCING AUTHORITY, a
California Joint Powers Authority

By: 
Executive Director

ATTEST:

Secretary

APPROVED AS TO FORM:

Aleshire & Wynder, LLP

Authority Attorney

BUYER

PI Bell, LLC

By: 
Neil Mishurda, authorized agent

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

Parcel A

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

PARCEL I:

THOSE PORTIONS OF LOTS 109 AND 115 IN THE RANCHO LAGUNA, IN THE CITY OF BELL, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED AS EXHIBIT "A" IN THE FINAL DECREE OF PARTITION AS CASE NO. B25296 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, A CERTIFIED COPY OF SAID DECREE BEING RECORDED IN BOOK 6387 PAGE 1 OF DEEDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF PARCEL 14 OF PARCEL MAP NO. 11282, FILED IN BOOK 120 PAGES 56 THROUGH 60 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT BEING ON A CURVE CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 501.34 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 17° 51' 36" WEST; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 4° 25' 39" AN ARC DISTANCE OF 38.74 FEET TO A POINT ON THE NORTHEAST LINE OF THE 33 FOOT WIDE STRIP OF LAND DESCRIBED IN DEED TO CENTRAL MANUFACTURING DISTRICT, INC., RECORDED IN BOOK 7471 PAGE 45 OF OFFICIAL RECORDS; THENCE SOUTH 22° 17' 15" WEST 33.00 FEET TO THE TRUE POINT OF BEGINNING; SAID TRUE POINT OF BEGINNING BEING A POINT ON THE SOUTHWEST LINE OF SAID 33-FOOT WIDE STRIP, AND SAID POINT ALSO BEING THE BEGINNING OF A CONCENTRIC CURVE CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 468.34 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 3° 10' 35" AN ARC DISTANCE OF 25.96 FEET TO A POINT ON THE EASTERLY LINE OF THE LONG BEACH FREEWAY, STATE ROUTE 710, AS DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED JANUARY 24, 1957 IN BOOK 53458 PAGE 311 OF OFFICIAL RECORDS; THENCE SOUTH 0° 43' 26" WEST 111.19 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 720.00 FEET; THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 12° 56' 00" AN ARC DISTANCE OF 162.53 FEET; THENCE TANGENT TO SAID LAST CURVE, SOUTH 12° 12' 34" EAST, 226.85 FEET; THENCE SOUTH 26° 17' 36" EAST 658.27 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 1,910.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 50° 55' 38" EAST; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 7° 42' 48", AN ARC DISTANCE OF 257.13 FEET; THENCE NORTH 22° 17' 15" EAST 977.43 FEET TO POINT ON SAID SOUTHWEST LINE OF CENTRAL MANUFACTURING DISTRICT, INC.; THENCE NORTH 67° 42' 45" WEST ALONG SAID SOUTHWEST LINE 946.51 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT ALL MINERALS, PETROLEUM, GASES AND OTHER HYDROCARBON SUBSTANCES EXISTING IN AND UNDER SAID LAND, WITHOUT THE RIGHT TO ENTER UPON OR USE THE SURFACE OF SAID LAND FOR THE EXTRACTION AND REMOVAL OF SUCH RESERVED SUBSTANCES, OR FOR ANY OTHER PURPOSE OR PURPOSES, AS RESERVED IN THE DEED RECORDED JULY 18, 1944 AS INSTRUMENT NO. 913, IN BOOK 21013 PAGE 131 OFFICIAL RECORDS.

PARCEL II:

THOSE PORTIONS OF LOTS 109, 115, 116, 117, 118 AND A PORTION OF CAMFIELD AVENUE, (VACATED) IN THE RANCHO LAGUNA, IN THE CITY OF BELL, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED AS EXHIBIT "A" IN THE FINAL DECREE OF PARTITION AS CASE NO. B25296 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, A CERTIFIED COPY OF SAID DECREE BEING RECORDED IN BOOK 6387 PAGE 1 OF DEEDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, BEING A STRIP OF LAND 22 FEET WIDE, THE CENTERLINE OF WHICH IS DESCRIBED AS FOLLOWS:

COMMENCING AT THE WESTERLY TERMINUS OF THE CENTERLINE OF MANSFIELD WAY AS SHOWN ON PARCEL MAP NO. 11282 RECORDED IN BOOK 120, PAGES 56 THROUGH 60 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID CENTERLINE HAVING A BEARING OF

NORTH 82° 57' 31" WEST; THENCE CONTINUING ON LAST MENTIONED BEARING A DISTANCE OF 174.62 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTH, HAVING A RADIUS OF 922 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15° 13' 15" AN ARC LENGTH OF 244.93 FEET; THENCE NORTH 67° 44' 16" WEST, 1,792.98 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 372 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 27° 06' 40" AN ARC LENGTH OF 176.02 FEET; THENCE TANGENT TO SAID CURVE, NORTH 40° 37' 36" WEST, 211.33 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTH, HAVING A RADIUS OF 1,522 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 6° 25' 30" AN ARC LENGTH OF 170.67 FEET; THENCE NORTH 47° 03' 05" WEST, 796.19 FEET.

THE SIDELINES OF SAID STRIP TO BE LENGTHENED OR SHORTENED SO AS TO TERMINATE AT THE WESTERLY LINE OF MANSFIELD WAY AND THE WESTERLY LINE OF FIRST STREET, ALSO KNOWN AS THE EASTERLY LINE OF PARCEL I ABOVE.

EXCEPT ALL MINERALS, PETROLEUM, GASES AND OTHER HYDROCARBON SUBSTANCES EXISTING IN AND UNDER SAID LAND, WITHOUT THE RIGHT TO ENTER UPON OR USE THE SURFACE OF SAID LAND FOR THE EXTRACTION AND REMOVAL OF SUCH RESERVED SUBSTANCES, OR FOR ANY OTHER PURPOSE OR PURPOSES, AS RESERVED IN THE DEED RECORDED JULY 18, 1944 AS INSTRUMENT NO. 913, IN BOOK 21013 PAGE 131 OFFICIAL RECORDS.

PARCEL III:

THOSE PORTIONS OF LOTS 109 & 115 IN THE RANCHO LAGUNA, IN THE CITY OF BELL, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED AS EXHIBIT "A" IN THE FINAL DECREE OF PARTITION, AS CASE NO. B25296 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, A CERTIFIED COPY OF SAID DECREE BEING RECORDED IN BOOK 6387 PAGE 1 OF DEEDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, BEING 30 FEET WIDE, THE CENTERLINE OF WHICH BEING DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF PARCEL 14 OF PARCEL MAP NO. 11282, RECORDED IN BOOK 120, PAGES 56 THROUGH 60 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT BEING ON A CURVE CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 501.34 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 17° 51' 36" WEST; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 4° 25' 39", AN ARC LENGTH OF 38.74 FEET; THENCE RADIAL TO SAID CURVE, SOUTH 22° 17' 15" WEST, 33.00 FEET TO A POINT ON THE SOUTHERLY LINE OF THAT 33.00 FOOT WIDE STRIP OF LAND DESCRIBED IN DEED TO CENTRAL MANUFACTURING DISTRICT, INC., RECORDED IN BOOK 7471, PAGE 45 OF OFFICIAL RECORDS; THENCE SOUTH 67° 42' 45" EAST ALONG SAID SOUTHERLY LINE 961.51 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 22° 17' 15" WEST 983.17 FEET, MORE OR LESS, TO A POINT ON THE EASTERLY LINE OF STATE ROUTE 710, AS DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED JANUARY 24, 1957 IN BOOK 53458 PAGE 311 OF OFFICIAL RECORDS.

THE SIDELINES OF SAID STRIP TO BE LENGTHENED OR SHORTENED TO TERMINATE AT THE SOUTHERLY LINE OF SAID 33 FOOT WIDE STRIP AND SAID EASTERLY LINE OF STATE ROUTE 710.

EXCEPT ALL MINERALS, PETROLEUM, GASES AND OTHER HYDROCARBON SUBSTANCES EXISTING IN AND UNDER SAID LAND, WITHOUT THE RIGHT TO ENTER UPON OR USE THE SURFACE OF SAID LAND FOR THE EXTRACTION AND REMOVAL OF SUCH RESERVED SUBSTANCES, OR FOR ANY OTHER PURPOSE OR PURPOSES, AS RESERVED IN THE DEED RECORDED JULY 18, 1944 AS INSTRUMENT NO. 913, IN BOOK 21013 PAGE 131 OFFICIAL RECORDS.

Parcel F, G and H

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

PARCEL 1:

THE FOLLOWING PARCELS OF LAND IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, INCLUDING PORTIONS OF LOTS 106 TO 109 INCLUSIVE, AND LOTS 115 TO 118 INCLUSIVE, AND THAT PORTION OF CAMFIELD AVENUE, ADJOINING LOTS 106, 107, 117 AND 118 VACATED BY AN ORDER OF THE BOARD OF SUPERVISORS OF SAID COUNTY, RECORDED IN BOOK 10430 PAGE 32, OF OFFICIAL RECORDS OF SAID COUNTY, ALL IN RANCHO LAGUNA AS SHOWN MAP FILED AS EXHIBIT "A" IN CASE NO. B-25296 OF SUPERIOR COURT OF THE STATE OF CALIFORNIA, LOS ANGELES COUNTY, AND ALSO A PORTION OF THE RANCHO SAN ANTONIO, AS PER MAP RECORDED IN BOOK 1 PAGE 382 OF PATENTS, RECORDS OF SAID LOS ANGELES COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL "F"

COMMENCING AT A FOUND CONCRETE MONUMENT WITH BRASS PLATE STAMPED "LS 2348" MARKING THE MOST NORTHERLY CORNER OF PARCEL 10 OF PARCEL MAP NO. 11282, AS PER MAP FILED IN BOOK 120 PAGES 56 THROUGH 60 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY SAID POINT ALSO BEING A POINT ON THE SOUTHERLY LINE OF 33 FOOT WIDE STRIP DESCRIBED AS PARCEL 2 IN DEED RECORDED IN BOOK 7471 PAGE 45 OF OFFICIAL RECORDS; THENCE ALONG SAID SOUTHERLY LINE NORTH 67° 48' 18" WEST, 2711.76 FEET TO THE POINT OF BEGINNING; THENCE LEAVING SAID SOUTHERLY LINE SOUTH 22° 11' 36" WEST, 722.40 FEET; THENCE NORTH 67° 48' 18" WEST, 696.32 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "A" SAID POINT ALSO BEING A POINT ON THE EASTERLY LINE OF LAND DESCRIBED IN EXCEPTION TO TITLE IN FAVOR OF THE BELL PUBLIC FINANCING AUTHORITY PER INSTRUMENT NO. 92-306752 RECORDED FEBRUARY 25, 1992 OF OFFICIAL RECORDS; THENCE ALONG SAID EASTERLY LINE NORTH 22° 11' 36" EAST, 722.40 FEET TO A POINT ON SAID SOUTHERLY LINE; THENCE LEAVING SAID EASTERLY LINE ALONG SAID SOUTHERLY LINE SOUTH 67° 48' 18" EAST, 696.32 FEET TO THE POINT OF BEGINNING.

PARCEL "G"

BEGINNING AT POINT "A" DESCRIBED IN THE AFOREMENTIONED PARCEL "F"; THENCE SOUTH 67° 48' 18" EAST, 443.52 FEET; THENCE SOUTH 22° 11' 36" WEST, 401.80 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "B" SAID POINT ALSO BEING A POINT ON THE NORTHERLY LINE OF "K" STREET DESCRIBED IN EXCEPTION TO TITLE IN FAVOR OF THE BELL PUBLIC FINANCING AUTHORITY PER INSTRUMENT NO. 92-306752 RECORDED FEBRUARY 25, 1992; THENCE ALONG SAID NORTHERLY LINE NORTH 46° 53' 58" WEST, 474.78 FEET TO A POINT ON THE EASTERLY LINE OF LAND DESCRIBED IN EXCEPTION TO TITLE IN FAVOR OF THE BELL PUBLIC FINANCING AUTHORITY PER INSTRUMENT NO. 92-306752 RECORDED FEBRUARY 25, 1992 OF OFFICIAL RECORDS; THENCE LEAVING SAID NORTHERLY LINE ALONG SAID EASTERLY LINE NORTH 22° 11' 36" EAST, 232.38 FEET TO THE POINT OF BEGINNING.

THENCE COMMENCING AT POINT "B" DESCRIBED ABOVE; THENCE SOUTH 22° 11' 36" WEST, 23.55 FEET TO THE POINT OF BEGINNING AND A POINT ON THE SOUTHERLY LINE OF "K" STREET DESCRIBED IN EXCEPTION TO TITLE IN FAVOR OF THE BELL PUBLIC FINANCING AUTHORITY PER INSTRUMENT NO. 92-306752 RECORDED FEBRUARY 25, 1992; THENCE SOUTH 22° 11' 36" WEST, 10.83 FEET TO A POINT ON THE NORTHEASTERLY RIGHT-OF-WAY OF INTERSTATE 710 AS SHOWN ON CALTRANS RIGHT-OF-WAY MAP NO. S.F. 1524-3-6; THENCE ALONG SAID NORTHEASTERLY RIGHT-OF-WAY NORTH 46° 52' 58" WEST, 474.84 FEET TO A POINT ON THE EASTERLY LINE OF LAND DESCRIBED IN EXCEPTION TO TITLE IN FAVOR OF THE BELL PUBLIC FINANCING AUTHORITY PER INSTRUMENT NO. 92-306752 RECORDED FEBRUARY 25, 1992 OF OFFICIAL RECORDS; THENCE ALONG SAID EASTERLY LINE NORTH 22° 11' 36" EAST, 10.68 FEET TO SAID SOUTHERLY LINE; THENCE SOUTH 46° 53' 58" EAST, 474.78 FEET TO THE POINT OF BEGINNING.

PARCEL "H"

COMMENCING AT A FOUND CONCRETE MONUMENT WITH BRASS PLATE STAMPED "LS 2348" MARKING THE MOST NORTHERLY CORNER OF PARCEL 10 OF PARCEL MAP NO. 11282, AS PER MAP FILED IN BOOK 120 PAGES 56 THROUGH 60 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG THE WESTERLY LINE OF SAID PARCEL MAP THE FOLLOWING COURSES: SOUTH 22° 11' 36" WEST, 662.47 FEET; THENCE SOUTH 82° 43' 02" EAST, 19.98 FEET; THENCE SOUTH 22° 12' 11" WEST, 65.07 FEET TO THE CENTERLINE OF EXISTING RICKENBACKER ROAD PER SAID PARCEL MAP NO. 11282 AND THE POINT OF BEGINNING; THENCE SOUTH 22° 12' 11" WEST, 32.57 FEET; THENCE NORTH 82° 49' 45" WEST, 20.00 FEET; THENCE SOUTH 22° 11' 58" WEST, 356.23 FEET; THENCE LEAVING SAID WESTERLY LINE NORTH 67° 48' 18" WEST, 1159.02 FEET; THENCE NORTH 22° 11' 36" EAST, 394.23 FEET; THENCE SOUTH 67° 48' 18" EAST, 1178.38 FEET TO THE POINT OF BEGINNING.

PARCEL 2:

NON-EXCLUSIVE EASEMENTS FOR RIGHT OF WAY AND UTILITY, AS RESERVED IN THAT CERTAIN "QUITCLAIM DEED AND EASEMENTS", EXECUTED BY UNITED STATES OF AMERICA, AS GRANTOR DATED AS OF DECEMBER 15, 2006 AND RECORDED DECEMBER 18, 2006 AS INSTRUMENT NO. 06-2807198, OVER THOSE PORTIONS OF THE LAND DEPICTED AS "EASEMENT I" AND "EASEMENT K", ATTACHED TO AND MADE A PART OF THE AFOREMENTIONED DOCUMENT.

EXHIBIT "B"

**GRANT DEED
CITY OF BELL**

FREE RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

City of Bell
6330 Pine Avenue
Bell, CA 90201
(323) 588-6211
Attn: City Manager

(Space Above Line for Recorder's Use Only)
Exempt from filing Fees per Govt. Code § 6103

GRANT DEED

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the CITY OF BELL, a California Charter City, herein called "Grantor," hereby grants to PI BELL LLC, a Delaware limited liability company herein called "Grantee," the real property referred to as Assessor's Parcel Nos. _____, hereinafter referred to as the "Site," in the City of Bell, County of Los Angeles, State of California, more particularly described in Attachment No. 1 attached hereto and incorporated herein by this reference.

As conditions of this conveyance, the Grantee covenants by and for itself and any successors-in-interest for the benefit of Grantor as follows:

1. Non-Discrimination.

Grantee covenants that there shall be no discrimination against, or segregation of, any persons, or group of persons, on account of race, color, creed, religion, sex, marital status, age, physical or mental disability, ancestry, or national origin in the rental, sale, lease, sublease, transfer, use, occupancy, or enjoyment of the Site, or any portion thereof, nor shall Grantee, or any person claiming under or through Grantee, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of purchasers, tenants, lessees, subtenants, sublessees, or vendees of the Site or any portion thereof. The nondiscrimination and nonsegregation covenants contained herein shall remain in effect in perpetuity.

2. Form of Nondiscrimination Clauses in Agreements.

Grantee shall refrain from restricting the rental, sale, or lease of any portion of the Site on the basis of race, color, creed, religion, sex, marital status, age, physical or mental disability, ancestry, or national origin of any person. All such deeds, leases, or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(a) **Deeds:** In deeds the following language shall appear: “The grantee herein covenants by and for itself, himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, age, physical or mental disability, ancestry, or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, 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, or vendees in the premises herein conveyed.”

(b) **Leases:** In leases the following language shall appear: “The lessee herein covenants by and for itself, himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: “that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, age, physical or mental disability, ancestry, or national origin in the leasing, subleasing, renting, transferring, use, occupancy, tenure, or enjoyment of the land herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, 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, or vendees in the land herein leased.”

(c) **Contracts:** In contracts the following language shall appear: “The transferee herein covenants by and for itself, himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: “There shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, age, physical or mental disability, ancestry, or national origin in the sale, lease, rental, sublease, transfer, use, occupancy, tenure, or enjoyment of the land, nor shall the transferee himself or herself, or any person claiming under or through him or her, 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, or vendees of the land.”

3. Covenants to Run With the Land.

The covenants contained in this Deed shall be construed as covenants running with the land and not as conditions which might result in forfeiture of title, and shall be binding upon

Grantee, its heirs, successors and assigns to the Site, whether their interest shall be fee, easement, leasehold, beneficial or otherwise. The foregoing covenants shall remain in effect in perpetuity.

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed on its behalf by its officers or agents hereunto as of the ____ day of _____, 2013.

“GRANTOR”

CITY OF BELL, a California Charter City

By: _____
Mayor Violeta Alvarez

ATTEST:

City Clerk

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the grant deed dated on or about _____, 2013 from the City of Bell is hereby accepted by the undersigned officer on behalf of the Grantee, and the Grantee consents to recordation thereof by its duly authorized officer.

Dated: _____, 2013

GRANTEE:

PI BELL LLC, a Delaware limited liability company

Neil Mishurda

Attachment 1
Legal Description

EXHIBIT "C"

**GRANT DEED
BELL PUBLIC FINANCING AUTHORITY**

FREE RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

Bell Public Financing Authority
6330 Pine Avenue
Bell, CA 90201
(323) 588-6211
Attn: City Manager

(Space Above Line for Recorder's Use Only)
Exempt from filing Fees per Govt. Code § 6103

GRANT DEED

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the CITY OF BELL, a California Charter City, herein called "Grantor," hereby grants to PI BELL LLC, a Delaware limited liability company herein called "Grantee," the real property referred to as Assessor's Parcel Nos. _____, hereinafter referred to as the "Site," in the City of Bell, County of Los Angeles, State of California, more particularly described in Attachment No. 1 attached hereto and incorporated herein by this reference.

As conditions of this conveyance, the Grantee covenants by and for itself and any successors-in-interest for the benefit of Grantor as follows:

4. Non-Discrimination.

Grantee covenants that there shall be no discrimination against, or segregation of, any persons, or group of persons, on account of race, color, creed, religion, sex, marital status, age, physical or mental disability, ancestry, or national origin in the rental, sale, lease, sublease, transfer, use, occupancy, or enjoyment of the Site, or any portion thereof, nor shall Grantee, or any person claiming under or through Grantee, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of purchasers, tenants, lessees, subtenants, sublessees, or vendees of the Site or any portion thereof. The nondiscrimination and nonsegregation covenants contained herein shall remain in effect in perpetuity.

5. Form of Nondiscrimination Clauses in Agreements.

Grantee shall refrain from restricting the rental, sale, or lease of any portion of the Site on the basis of race, color, creed, religion, sex, marital status, age, physical or mental disability, ancestry, or national origin of any person. All such deeds, leases, or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(a) **Deeds:** In deeds the following language shall appear: “The grantee herein covenants by and for itself, himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, age, physical or mental disability, ancestry, or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, 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, or vendees in the premises herein conveyed.”

(b) **Leases:** In leases the following language shall appear: “The lessee herein covenants by and for itself, himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: “that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, age, physical or mental disability, ancestry, or national origin in the leasing, subleasing, renting, transferring, use, occupancy, tenure, or enjoyment of the land herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, 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, or vendees in the land herein leased.”

(c) **Contracts:** In contracts the following language shall appear: “The transferee herein covenants by and for itself, himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: “There shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, age, physical or mental disability, ancestry, or national origin in the sale, lease, rental, sublease, transfer, use, occupancy, tenure, or enjoyment of the land, nor shall the transferee himself or herself, or any person claiming under or through him or her, 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, or vendees of the land.”

6. Covenants to Run With the Land.

The covenants contained in this Deed shall be construed as covenants running with the land and not as conditions which might result in forfeiture of title, and shall be binding upon

Grantee, its heirs, successors and assigns to the Site, whether their interest shall be fee, easement, leasehold, beneficial or otherwise. The foregoing covenants shall remain in effect in perpetuity.

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed on its behalf by its officers or agents hereunto as of the ____ day of _____, 2013.

“GRANTOR”

**BELL PUBLIC FINANCING AUTHORITY, a
California Joint Powers Authority**

By: _____
Executive Director

ATTEST:

City Clerk

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the grant deed dated on or about _____, 2013 from the City of Bell is hereby accepted by the undersigned officer on behalf of the Grantee, and the Grantee consents to recordation thereof by its duly authorized officer.

Dated: _____, 2013

GRANTEE:

PI BELL LLC, a Delaware limited liability company

Neil Mishurda

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

On _____, 20__, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted executed the instrument.

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

WITNESS my hand and official seal.

Signature _____
(Seal)

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

On _____, 20__, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted executed the instrument.

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

WITNESS my hand and official seal.

Signature _____
(Seal)

Attachment 1
Legal Description

EXHIBIT "D"

FORM OF LEASE ASSIGNMENT

ASSIGNMENT AND ASSUMPTION OF LEASES

THIS ASSIGNMENT AND ASSUMPTION OF LEASES (this "Assignment") dated as of _____, 2013, is made and entered into by and between the BELL PUBLIC FINANCING AUTHORITY, a California Joint Powers Authority ("Assignor"), to PI Bell LLC, a Delaware limited liability company ("Assignee").

WITNESSETH:

WHEREAS, Assignor is the lessor under the lease contained in **Schedule 1** attached hereto (the "Leases"), executed with respect to that certain real property located in the City of Bell, County of Los Angeles, State of California (the "Property"), more particularly described on **Schedule 2** attached hereto;

WHEREAS, Assignor is contemporaneously herewith selling the Property to Assignee, pursuant to the Agreement for Purchase and Sale of Real Property between Assignor as the "Seller" and Assignee as the "Buyer" dated as of _____, 2013, as the same has been or may be amended (the "Purchase Agreement"); and

WHEREAS, Assignor desires to assign its interest in and to the Leases to Assignee as of the date on which title to the Property is vested in Assignee (the "Transfer Date"), and Assignee desires to accept the assignment thereof and assume Assignor's obligations thereunder with respect to the period from and after the Transfer Date. Capitalized terms used herein that are not otherwise defined herein shall have the meanings ascribed to such terms in the Purchase Agreement.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, the Parties hereby agree as follows:

1. As of the Transfer Date, Assignor hereby assigns to Assignee all of its right, title and interest in and to the Leases.

2. Assignor hereby agrees to indemnify, defend and hold harmless Assignee from and against any and all costs, claims, liability, loss, damage or expense, including, without limitation, reasonable attorneys' fees and expenses (collectively, "Losses and Liabilities"), arising out of or in any way related to the landlord's obligations under the Leases with respect to the period prior to the Transfer Date or which arise out of or are in any way related to the landlord's obligations under the Leases after the Transfer Date on account of any fact or circumstance occurring or existing prior to the Transfer Date.

Further, Assignor and each of the entities constituting or related to Assignor, if any, shall, from and after the Transfer Date, release, discharge, defend, indemnify and hold harmless Assignee, the Bell Public Financing Authority and their officers, directors, employees, agents and representatives (collectively, the "Indemnified Parties") from and against any and all claims,

actions, suits, legal or administrative orders or proceedings, costs (including costs of environmental compliance), demands or other liabilities resulting from the acts or omissions of Assignor or any tenants under the Leases with respect to any Environmental Laws affecting the Property or the existence of any Hazardous Materials brought onto the Property by Assignor, by tenants under the Leases, or in the course of the operation of Assignor or tenants businesses and activities on the Property, or the release or threatened release of any such Hazardous Materials of any kind whatsoever, in, on or under the Property occurring at any time before the Transfer Date, including, but not limited to, all foreseeable and unforeseeable damages, fees, costs, losses and expenses, including any and all attorneys' fees and environmental consultant fees and investigation costs and expenses, directly or indirectly arising therefrom, and including fines and penalties of any nature whatsoever, assessed, levied or asserted against any Indemnified Parties to the extent that the fines and/or penalties are the result of a violation or an alleged violation of any Environmental Law.

"Environmental Law" means any federal, state or local statute, ordinance, rule, regulation, order, consent decree, judgment or common-law doctrine, and provisions and conditions of permits, licenses and other operating authorizations relating to (A) pollution or protection of the environment, including natural resources, (B) exposure of persons, including employees, to Hazardous Materials or other products, raw materials, chemicals or other substances, (C) protection of the public health or welfare from the effects of by-products, wastes, emissions, discharges or releases of chemical sub-stances from industrial or commercial activities, or (D) regulation of the manufacture, use or introduction into commerce of chemical substances, including, without limitation, their manufacture, formulation, labeling, distribution, transportation, handling, storage and disposal. "Environmental Law" includes, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, as amended; the Hazardous Materials Transportation Act, as amended; the Resource Conservation and Recovery Act, as amended; the Toxic Substances Control Act, as amended; the Federal Water Pollution Control Act, as amended; or any other Federal, state or local statute, law, ordinance, code, rule, regulation, order or decree, regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect, asbestos, or any other hazardous, toxic, or dangerous, waste, substance or material; and similar laws of the State of California. Further, Seller will not, between the Effective Date hereof and the Close of Escrow, place, locate or dispose of on, under or at the Property any Hazardous Material or violate any Environmental Law, nor will Seller knowingly permit or cause any other person to do any of the aforesaid during such period.

"Hazardous Material" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority (other than the City or Authority), the State of California, or the United States Government. The term "Hazardous Material" includes, without limitation, any material or substance which is: (A) petroleum or oil or gas or any direct or derivate product or byproduct thereof; (B) defined as a "hazardous waste," "extremely hazardous waste" or "restricted hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (C) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act); (D) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Sections 25501(j) and (k) and 25501.1 of the California

Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (E) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (F) "used oil" as defined under Section 25250.1 of the California Health and Safety Code; (G) asbestos; (H) listed under Chapter 11 of Division 4.5 of Title 22 of the California Code of Regulations, or defined as hazardous or extremely hazardous pursuant to Chapter 10 of Division 4.5 of Title 22 of the California Code of Regulations; (I) defined as waste or a hazardous substance pursuant to the Porter-Cologne Act, Section 13050 of the California Water Code; (J) designated as a "toxic pollutant" pursuant to the Federal Water Pollution Control Act, 33 U.S.C. § 1317; (K) defined as a "hazardous waste" pursuant to the Federal Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq. (42 U.S.C. § 6903); (L) defined as a "hazardous substance" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq. (42 U.S.C. § 9601); (M) defined as "Hazardous Material" pursuant to the Hazardous Materials Transportation Act, 49 U.S.C. § 5101 et seq.; or (N) defined as such or regulated by any "Superfund" or "Superlien" law, or any other federal, state or local law, statute, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning Hazardous Materials and/or underground storage tanks, as now, or at any time hereafter, in effect.

3. Assignee, as of the Transfer Date, hereby accepts the foregoing assignment and assumes all of the landlord's obligations under the Leases with respect to the period from and after the Transfer Date. Assignee hereby agrees to indemnify, defend and hold harmless Assignor from and against any and all Losses and Liabilities arising out of the landlord's obligations under the Leases with respect to the period from and after the Transfer Date, except for Losses and Liabilities on account of any fact or circumstance occurring or existing prior to the Transfer Date.

4. In the event of any litigation between Assignor and Assignee arising out of the obligations of the Parties under this Assignment or concerning the meaning or interpretation of any provision contained herein, the losing Party shall pay the prevailing Party's costs and expenses in such litigation, including, without limitation, reasonable attorneys' fees and expenses. In addition to the foregoing award of attorneys' fees and expenses to the prevailing Party, the prevailing Party in any lawsuit on this Assignment shall be entitled to its reasonable attorneys' fees and expenses incurred in any post judgment proceedings to collect or enforce the judgment. This provision is separate and several and shall survive the merger of this Assignment into any judgment on this Assignment.

5. This Assignment shall be binding on and inure to the benefit of the Parties herein, their heirs, executors, administrators, successors-in-interest and assigns.

6. This Assignment may be executed in any number of counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same agreement.

7. Assignor hereby covenants that it will, at any time and from time to time upon written request therefor, execute and deliver to Assignee, and/or its successors and assigns, any new or confirmatory instruments and take such further acts as Assignee may reasonably request

to fully evidence the assignment contained herein and to enable Assignee, and/or its successors and assigns, to fully realize and enjoy the rights and interests assigned hereby.

8. Nothing contained herein shall be deemed or construed as relieving the Assignor or Assignee of their respective duties and obligations under the Purchase Agreement.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the date first above written.

“ASSIGNOR”

BELL PUBLIC FINANCING AUTHORITY

“ASSIGNEE”

PI BELL LLC

Executive Director

Neil Mishurda

ATTEST:

Secretary

APPROVED AS TO FORM
ALESHIRE & WYNDER, LLP

Dave Aleshire, Authority Counsel

EXHIBIT "E"

NON-FOREIGN AFFIDAVIT

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon disposition of a U.S. real property interest by _____ ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. Transferor's taxpayer identification number is _____; and
3. Transferor's address is _____

The undersigned understands that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury, I declare that I have examined this certification and to the best of my knowledge and belief, it is true, correct, and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

Dated: _____, 2013 _____

Address of Property for Sale:

See legal description attached as Exhibit "1"

EXHIBIT "1" TO NON-FOREIGN AFFIDAVIT
LEGAL DESCRIPTION OF LAND

[INSERT LEGAL DESCRIPTION]

(End of Legal Description)

EXHIBIT "F"
OUTSTANDING TITLE ISSUES

BELL BUSINESS CENTER PROJECT MITIGATION MONITORING AND REPORTING PROGRAM

1 INTRODUCTION

This document is the Mitigation Monitoring and Reporting Program (MMRP) for the **Bell Business Center Project**. This MMRP has been prepared pursuant to Section 21081.6 of the California Public Resources Code, which requires public agencies to "adopt a reporting and monitoring program for the changes made to the project or conditions of project approval, adopted in order to mitigate or avoid significant effects on the environment." An MMRP is required for the proposed project because the EIR has identified significant adverse impacts, and measures have been identified to mitigate those impacts.

2 MITIGATION MONITORING AND REPORTING PROGRAM

As the lead agency, the City of Bell will be responsible for monitoring compliance with all mitigation measures. Different departments within the City are responsible for various aspects of the project. The MMRP identifies the department with the responsibility for ensuring the measure is completed; however, it is expected that one or more departments will coordinate efforts to ensure compliance.

The MMRP is presented in tabular form on the following pages. The components of the MMRP are described briefly below.

- **Mitigation Measure:** The mitigation measures are taken from the Environmental Impact Report (EIR), in the same order they appear in the EIR.
- **Timing:** Identifies at which stage of the project the mitigation must be completed.
- **Monitoring Responsibility:** Identifies the department within the City with responsibility for mitigation monitoring.
- **Verification (Date and Initials):** Provides a contact who reviewed the mitigation measure and the date the measure was determined complete.

As the project is of statewide, regional, or area-wide importance, any transportation information generated by this monitoring or reporting program will be submitted to the California Department of Transportation (Caltrans).

BELL BUSINESS CENTER PROJECT MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM

Mitigation Measure	Timing	Monitoring Responsibility	Verification (Date and Initials)
<p>3.1 Air Quality</p> <p>MM 3.1.1.3a Mobile and Other Area Source Emissions Reduction. The developer/successor-in-charge shall ensure the following design measures be implemented to reduce impacts associated with operational emissions from other area sources:</p> <ol style="list-style-type: none"> In order to promote alternative fuels and help support "clean" truck fleets, the developer/successor-in-interest shall provide building occupants with information related to the SCAQMD's Carl Moyer Program or other such programs that promote truck retrofits or clean vehicles and information including, but not limited to, the health effects of diesel particulate matter, the benefits of reduced idling time, CARB regulations, and the importance of not parking in residential areas. If trucks older than the 2007 model year will be used at the project facilities, the developer/successor-in-interest shall require, within one year of signing a lease or purchasing the property, future tenants to apply in good faith for funding for diesel truck replacement/retrofit through grant programs such as the Carl Moyer Program or others, as identified by the SCAQMD. Tenants shall be required to use those funds, if awarded. All building rooftops on-site shall be designed to accommodate solar power and the use of solar energy (i.e., solar panels). All roofing shall be constructed of light-colored roofing materials. All lighting fixtures, including signage, shall be state of the art and energy efficient, and light fixtures energy efficient compact fluorescent and/or LED light bulbs. Where feasible, the use of solar powered 	Ongoing	City of Bell Planning Division	

Mitigation Measure	Timing	Monitoring Responsibility	Verification (Date and Initials)
<p>lighting be implemented.</p> <ol style="list-style-type: none"> 5. Parking lots shall be constructed with cool pavement technologies (i.e., 100 percent concrete) as opposed to conventional paving materials. 6. Trees shall be planted to shade parking areas. 7. Where feasible, Energy Star heating, cooling, and lighting devices and appliances shall be used. 8. All outdoor lighting shall be limited to only those needed for safety and security purposes. 			
<p>MM 3.1.1.3b Signs. Signage shall be posted stating the State-mandated prohibition of all on-site trucks idling in excess of 5 minutes under the Heavy-Duty Vehicle Idling Emission Reduction Program. Additionally, to prevent trucks from entering into residential areas, truck routes shall be marked with trailblazer signs.</p>	Ongoing	City of Bell Planning Division	
<p>MM 3.1.1.3c Electrical Hookups/Electrically Powered Equipment.</p> <ol style="list-style-type: none"> 1. To ensure the technology can be employed when it becomes commercially available, the developer(s)/successor(s)-in-charge shall install electrical infrastructure to accommodate various electrical equipment needed during the operational phase of the proposed project. 2. Where transport refrigeration units (TRUs) are in use, electrical hookups shall be installed at all loading docks in order to allow TRUs with electric standby capabilities to use them. Trucks incapable of utilizing the electrical hookups shall be prohibited from accessing the site as set forth. Idling in excess of 5 minutes shall be prohibited, subject to on-site verification. Quarterly inspection reports shall be available on-site at all times. 3. Service equipment (i.e., forklifts and yard hostlers) shall be electrically powered, where feasible. 4. The developer/successor-in-charge shall ensure the installation of a minimum of one electric vehicle 	Ongoing	City of Bell Planning Division	

Mitigation Measure	Timing	Monitoring Responsibility	Verification (Date and Initials)
charging station per site.			
3.2 Biological Resources			
<p>MM 3.2.2a Burrowing Owl. If clearing and construction activities occur during the nesting period for burrowing owls (February 1–August 31), a qualified biologist shall conduct focused surveys for burrowing owls on and adjacent to the project site. Surveys shall be conducted in accordance with the California Department of Fish and Game’s (CDFG) <i>Staff Report on Burrowing Owl Mitigation</i>, published March 7, 2012. Surveys shall be repeated if project activities are suspended or delayed for more than 15 days during nesting season.</p> <p>If no burrowing owls are detected, no further mitigation is required. If active burrowing owl nest sites are detected, the project applicant shall implement the avoidance, minimization, and mitigation methodologies outlined in the CDFG’s <i>Staff Report on Burrowing Owl Mitigation</i> prior to initiating project-related activities that may impact burrowing owls.</p>	Prior to construction activities	City of Bell Planning Division	
<p>MM 3.2.2b Migratory Birds and Raptors. If vegetation removal or ground surface disturbance (any form of grading) is to occur during migratory bird and raptor nesting season (January 15–August 15), the project applicant shall retain a qualified biologist to conduct a focused survey for active nests within 14 days prior to the disturbance of the construction area. Nesting surveys for small birds are only fully effective if carried out between dawn and 11 A.M., as many species become inactive during the middle of the day. If active nests are found, trees/shrubs with nesting birds shall not be disturbed until abandoned by the birds or a qualified biologist deems disturbance potential to be minimal (in consultation with the USFWS and/or the CDFW, where appropriate). If applicable, tree removal and grading shall be restricted to a period following fledging of chicks, which typically occurs between late July and early August. If an active nest is</p>	Reference to this requirement and to the MBTA shall be included in the construction specifications. Pre-construction nest surveys will be conducted prior to the initiation of construction activities, as applicable.	City of Bell Planning Division	

Mitigation Measure	Timing	Monitoring Responsibility	Verification (Date and Initials)
<p>located within 50 feet (250 feet for raptors) of construction activities, other restrictions may include establishment of exclusion zones (no ingress of personnel or equipment at a minimum radius of 50 feet or 250 feet, as appropriate, around the nest as confirmed by the appropriate resource agency) or alteration of the construction schedule. If construction activities or tree removal are proposed to occur during the non-breeding season, a survey is not required, no further studies are necessary, and no mitigation is required.</p>			
<p>MM 3.2.2c Surveys of Potential Bat Roosts. Demolition of abandoned structures will be preceded by a survey for bat presence. Structures being used by bats will not be removed until it has been determined that bats are no longer using the site or until demolition can be carried out without harming any bats.</p>	<p>Pre-construction bat surveys will be conducted prior to the initiation of construction activities, as applicable.</p>	<p>City of Bell Planning Division</p>	
<p>3.3 Cultural Resources - None required</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>
<p>3.4 Climate Change and Greenhouse Gases</p>			
<p>MM 3.4.1a Applicants of development projects located within the Bell Business Center shall implement the following measures to reduce long-term emissions of greenhouse gases associated with the proposed project:</p> <ol style="list-style-type: none"> 1. Indoor water conservation measures shall be incorporated, such as use of low-flow toilets and faucets (bathrooms). 2. The proposed project shall be designed to exceed state energy efficiency standards by 15 percent (to Tier 1 Title 24 Standards) as directed by Appendix A5 of the 2010 California Green Building Standards (CBCS 2011). This measure helps to reduce emissions associated with energy consumption. 3. The project will be required to install Energy Star appliances in all buildings. The types of Energy Star appliances that will be installed include fans and 	<p>Prior to the issuance of occupancy permits</p>	<p>City of Bell Planning Division</p>	

Mitigation Measure	Timing	Monitoring Responsibility	Verification (Date and Initials)
<p>refrigerators.</p> <p>4. All loading docks shall be designed to accommodate SmartWay¹ trucks.</p> <p>5. The project shall be required, prior to building permit issuance, to install rooftop solar panels or solar-panel-ready rooftops to allow for easy, cost-effective installation of solar energy systems in the future, using such solar-ready features as:</p> <ul style="list-style-type: none"> • Designing the building to include optimal roof orientation (between 20 to 55 degrees from the horizontal), with sufficient south-sloped roof surface. • Providing clear access without obstructions (chimneys, heating and plumbing vents, etc.) on the south-sloped roof. • Designing the roof framing to support the addition of solar panels. • Installing electrical conduit to accept solar electric system wiring. 			
<p>MM 3.4.1b The project is required to reduce waste by 3 percent through a waste diversion program that requires recycling from all uses on the project site. Prior to issuance of occupancy permits, the applicant will complete the following measures:</p> <ol style="list-style-type: none"> 1. All businesses will subscribe to waste collection and recycling services provided by the City's franchised waste collection company. 2. All businesses will participate in the recycling program offered through the City's franchised waste collection company. Businesses will recycle all items available through the company's program, or an equivalent method, which ensures that the waste is diverted away 	Prior to the issuance of occupancy permits	City of Bell Planning Division	

¹ For example, the aerodynamic equipment for trailers may include use of "boat tails" that attach to the end of the trailer and may potentially be incompatible with loading bays designed with certain dock shelters. (<http://www.epa.gov/smartway/technology/designated-tractors-trailers.htm>).

Mitigation Measure	Timing	Monitoring Responsibility	Verification (Date and Initials)
<p>from landfill disposal.</p> <p>3. Adequate space for waste and recycling containers will be constructed at the complex to ensure ease of collection by the City's franchised waste collection company. The units housing the containers shall be constructed to allow sufficient space for the quantity of containers needed to ensure that the waste and recyclables can be collected in an efficient manner. The franchised waste collection company will be consulted to ensure that sufficient space is available for recycling and trash containers.</p>			
3.5 Geology and Soils			
<p>MM 3.5.2 Prior to the issuance of building permits for each building on the project site, the project applicant shall submit a design-level geotechnical study and building plans to the City of Bell for review and approval. The design-level geotechnical study shall be prepared by a qualified engineer and identify grading and building practices necessary to ensure stable building conditions. The project applicant shall incorporate the recommendations of the approved project-level geotechnical study into project plans. The project's building plans shall demonstrate that they incorporate all applicable recommendations of the design-level geotechnical study and comply with all applicable requirements of the latest adopted version of the California Building Standards Code. A licensed professional engineer shall prepare the plans, including those that pertain to soil engineering, structural foundations, pipeline excavation, and installation. All on-site soil engineering activities shall be conducted under the supervision of a licensed geotechnical engineer or certified engineering geologist.</p>	Prior to grading	City of Bell Planning Division	
3.6 Hazards and Hazardous Materials - None required	N/A	N/A	N/A
3.7 Hydrology and Water Quality			

Mitigation Measure	Timing	Monitoring Responsibility	Verification (Date and Initials)
<p>MM 3.7.1a Prior to grading permit issuance and as part of the project's compliance with the NPDES requirements, a Notice of Intent (NOI) shall be prepared and submitted to the State Water Resources Quality Control Board (SWRCB), providing notification and intent to comply with the State of California General Permit.</p>	<p>Prior to grading</p>	<p>City of Bell Planning Division</p>	
<p>MM 3.7.1b The proposed project shall conform to the requirements of an approved stormwater pollution prevention plan (SWPPP) (to be applied for during the grading plan process) and the NPDES Permit for General Construction Activities No. CAS000002, Order No, 2009-0009-DWQ, including implementation of all recommended best management practices (BMPs), as approved by the State Water Resources Quality Control Board.</p>	<p>Prior to grading</p>	<p>City of Bell Planning Division</p>	
<p>MM 3.7.1c As part of the plan review process, the City of Bell shall ensure that project plans identify a suite of stormwater quality BMPs that are designed to address the most likely sources of stormwater pollutants resulting from operation of the proposed project, consistent with the Low Impact Development program. Pollutant sources to be addressed by these BMPs include, but are not necessarily limited to, parking lots, landscaped areas, trash storage locations, and storm drain inlets. The design and location of these BMPs will be subject to review and comment by the City but shall generally adhere to the standards associated with the Phase II NPDES stormwater permit program. Prior to the issuance of a certificate of occupancy, the developer shall demonstrate that all structural BMPs described in the project's LID have been constructed and installed. In addition, the developer/successor in charge is prepared to implement all non-structural BMPs described in the LID.</p>	<p>Prior to the issuance of a certificate of occupancy</p>	<p>City of Bell Planning Division</p>	
<p>MM 3.7.1d Upon completion of project construction, the project applicant shall submit a Notice of Termination (NOT) to the State Water Resources Quality Control Board to</p>	<p>Completion of project construction</p>	<p>State Water Resources Quality Control Board</p>	

Mitigation Measure	Timing	Monitoring Responsibility	Verification (Date and Initials)
indicate that construction is complete.			
3.8 Land Use and Planning – None required	N/A	N/A	N/A
3.9 Noise			
MM 3.9.4 The project contractor shall implement the following mitigation to reduce construction-related noise impacts associated with the project: <ol style="list-style-type: none"> 1) Equip all construction equipment, fixed or mobile, with properly operating and maintained mufflers consistent with manufacturers' standards. 2) Place all stationary construction equipment on the west side of the project so that emitted noise is directed away from sensitive receptors. 3) Locate equipment staging in areas that will create the greatest distance between construction-related noise sources and noise-sensitive receptors to the south of the site during all project construction. 4) Limit all construction, maintenance, or demolition activities within the City of Bell's boundary to the hours between 7:00 a.m. and 6:00 p.m. 	During project construction	City of Bell Planning Division	
3.10 Population, Housing, and Employment – None required	N/A	N/A	N/A
3.11 Public Services and Utilities – None required	N/A	N/A	N/A
3.12 Transportation and Circulation			
MM 3.12.1a Atlantic Boulevard/Bandini Boulevard. (Intersection #3) The developer/successor-in-interest shall participate in an interim regional solution for improvements to the Atlantic Boulevard/Bandini Boulevard intersection in consultation with Caltrans and/or Los Angeles County Metropolitan Transportation Authority, such as the planned Bandini Boulevard corridor signal coordination project in the vicinity of the intersection. The project shall also make a fair share payment to contribute to potential upgrades and improvements to the signal timing and the signal control equipment at this location, if	Prior to occupancy	City of Bell Planning Division	

Mitigation Measure	Timing	Monitoring Responsibility	Verification (Date and Initials)
<p>necessary. The project shall also renew the existing striping in the vicinity of the intersection. This intersection is in the Caltrans right-of-way, and all improvements must be approved by Caltrans.</p>			
<p>MM 3.12.1b Eastern Avenue/Bandini Boulevard. (Intersection #7) The developer/successor-in-interest shall make a fair-share contribution to change the northbound Eastern Avenue approach from two left turn lanes, one through lane, and one shared through/right-turn lane to consist of three left-turn lanes, one through lane, and one shared through/right turn lane. As this intersection is shared with the City of Commerce, the extent of improvements must be coordinated with the City of Commerce.</p>	<p>Prior to occupancy</p>	<p>City of Bell Planning Division</p>	
<p>MM 3.12.1c Eastern Avenue/Rickenbacker Road. (Intersection #8) The developer/successor-in-interest shall restripe the eastbound Rickenbacker Road approach from one shared left-turn/through lane and one shared through/right-turn lane to consist of one left-turn lane and one shared left-turn/through/right-turn lane. Restripe the westbound Rickenbacker Road approach from one shared left-turn/through lane and one shared through/right-turn lane to consist of one shared left-turn/through lane and one right-turn lane with right-turn overlap phasing (adding a westbound right-turn overlap phase). Modify the Eastern Avenue/Rickenbacker Road traffic signal by changing the eastbound and westbound Rickenbacker Road approach signal phasing from permitted-phase to split-phase. As this intersection is shared with the City of Commerce, the extent of improvements must be coordinated with the City of Commerce.</p>	<p>Prior to occupancy</p>	<p>City of Bell Planning Division</p>	
<p>MM 3.12.1d Atlantic Boulevard/I-710 Northbound Off-Ramp. (Intersection #11) The developer/successor-in-interest shall prepare a I-710 corridor interim improvement traffic study for the I-710 Freeway between and including the Florence Avenue and Washington Boulevard interchanges to assist Caltrans in evaluating potential interim solutions to improve the operations at the</p>	<p>Prior to occupancy</p>	<p>City of Bell Planning Division</p>	

Mitigation Measure	Timing	Monitoring Responsibility	Verification (Date and Initials)
<p>Atlantic Boulevard/I-710 Northbound Off-Ramp State-controlled study intersection. The study will evaluate solutions such as transportation system management (TSM) measures through consideration of potential installation and placement of a changeable message sign (CMS) along the freeway. The project shall also improve and renew the existing signing and striping along the northbound off-ramp. This intersection is in the Caltrans right-of-way, and all improvements must be approved by Caltrans.</p>			
<p>MM 3.12.6a I-710 Southbound Off-Ramp/Atlantic Boulevard. (Intersection #1) The developer/successor-in-interest shall participate in an interim regional solution for improvements to the I-710 Southbound Off-Ramp/Atlantic Boulevard intersection, in consultation with Caltrans and/or the Los Angeles County Metropolitan Transportation Authority. Additionally, the project shall prepare a I-710 corridor interim improvement traffic study for the I-710 Freeway between and including the Florence Avenue and Washington Boulevard interchanges to assist Caltrans in evaluating potential interim solutions to improve the operations at the I-710 South Off-Ramp/Atlantic Boulevard State-controlled study intersection. The study will evaluate solutions such as transportation system management (TSM) measures through consideration of potential installation and placement of a changeable message sign (CMS) along the freeway. The project shall also make a fair share payment to contribute to potential upgrades and improvements to the signal timing and progression at this location, if necessary.</p>	Prior to occupancy	City of Bell Planning Division	
<p>MM 3.12.6b Eastern Avenue/Bandini Boulevard. (Intersection #7) The developer/successor-in-interest shall make a fair-share contribution to change the northbound Eastern Avenue approach from two left turn lanes, one through lane, and one shared through/right-turn lane to consist of three left-turn lanes, one through lane, and one shared</p>	Prior to occupancy	City of Bell Planning Division	

Mitigation Measure	Timing	Monitoring Responsibility	Verification (Date and Initials)
<p>through/right turn lane. Widen the eastbound Bandini Boulevard approach from one left turn lane, three through lanes, and one right turn lane with right turn overlap phasing to consist of one left turn lane, three through lanes, and two right turn lanes with right turn overlap phasing. As this intersection is shared with the City of Commerce, the extent of improvements must be coordinated with the City of Commerce.</p>			
<p>MM 3.12.6c Eastern Avenue/Rickenbacker Road. (Intersection #8) The developer/successor-in-interest shall make a fair share contribution to restripe the eastbound Rickenbacker Road approach from one shared left-turn/through lane and one shared through/right-turn lane to consist of one left-turn lane and one shared left turn/through/right-turn lane. The project shall make a fair share contribution to restripe the westbound Rickenbacker Road approach from one shared left turn/through lane and one shared through/right-turn lane to consist of one shared left-turn/through lane and one right turn lane with right-turn overlap phasing (adding a westbound right-turn overlap phase). The project shall make a fair share contribution to modify the Eastern Avenue/Rickenbacker Road traffic signal by changing the eastbound and westbound Rickenbacker Road approach signal phasing from permitted phase to split phase. The project shall make a fair share contribution to widen the southbound Eastern Avenue approach from one left-turn lane, one through lane, and one shared through/right-turn lane to consist of one left-turn lane, two through lanes, and one right-turn lane. As this intersection is shared with the City of Commerce, the extent of improvements must be coordinated with the City of Commerce.</p>	<p>Prior to occupancy</p>	<p>City of Bell Planning Division</p>	



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Dallas, Texas 75201-4629
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T 214.743.4503
F 972.813.6255

September 17, 2013

Dave Aleshire
Aleshire & Wynder LLP
18881 Von Karman Avenue, Suite 1700
Irvine, California 92612

Re: *Exclusive Negotiation Agreement dated June 5, 2013 for Bell Federal Service Site (the "Agreement"). Capitalized terms used herein but not defined herein shall have the meanings assigned to such terms in the Agreement*

Dear Mr. Aleshire:

As you know, we previously delivered to you our letter dated July 2, 2013, relating to our review of certain prior title commitments. Your firm has delivered to us an updated title commitment from a new title company. This letter relates to our review of the new title commitment we received for the Site, and for your convenience, I have enclosed a copy of that commitment. Based on our review, we have the following questions and objections:

1. On the prior commitments we reviewed, there was a separate one for each entity that owned the tracts in question, and in this commitment, everything is just in one commitment (which is fine). But please in general, have the commitment revised, so that for each exception, the specific parcels/tracts are referenced (because not every exception affects all tracts, we need to know specifically which affect all, and which affect only certain tracts).
2. The commitment refers to Parcel IV both as owned in fee, but also owned as a leasehold. Please explain what the plan is for the seller to only convey fee simple title here to Developer for Parcel IV, and do away with any leasehold.
3. Specific Exceptions:
 - a. Please coordinate with the title company to provide them the necessary evidence that the City has appropriate power and authority to convey the Site so that title will be able to be vested in Developer.

- b. Exceptions 6, 7, 9, 12, 22, 23 and 25 – Developer objects to these items as these exceptions were not included in the prior commitments we received. Please work with the new title company to confirm these exceptions really affect this Site, as the prior title company did a lot of work to clean up their title commitments and had confirmed these items didn't affect the Site. If your title company confirms these affect title, please let us know and then we will review, but the prior title company didn't take exception to these and were willing to insure title without these exceptions.
- c. Exception 10 - Developer objects to this item and requires the City to work with the title company to cause this item to be removed.
- d. Exception 11 - Developer objects to this item and requires the City to work with the title company to cause this item to be removed.
- e. Exceptions 15 and 16 – Developer objects to these items, and requires the City to work with the title company to cause these documents to be removed from the commitment as to not encumber the Site.
- f. Exception 17 - Developer objects to this item and requires the City to work with the title company to cause this item to be removed.
- g. Exception 20 - Developer objects to this item and requires the City to work with the title company to cause this item to be removed.
- h. Exception 21 - Developer objects to this item and requires the City to work with the title company to cause this item to be removed.
- i. Exception 24 - Developer objects to this item and requires the City to work with the title company to cause this item to be removed (by Closing).
- j. Exceptions 19 and 26 - Developer objects to this item and requires the City to work with the title company to cause this item to be removed (by Closing).
- k. Exception 27—Needs to be replaced with a reference only to the specific tenant that will be in possession as of closing.

Please confirm that City will work with title company to satisfactorily resolve and remove each title exception listed above, and what the plan for addressing each is. Also, we reserve the right to further review and provide objections, based on the revised commitment and your responses to the above. Your cooperation with this matter is greatly appreciated.

September 17, 2013
Page 3

Should you have any questions or comments regarding the foregoing, please do not hesitate to contact me.

Sincerely,



Craig Anderson

cc: Neil Mishurda

Enclosures

WEST241552745.2



**First American Title Insurance Company
National Commercial Services**

**777 South Figueroa Street, Suite 400
Los Angeles, CA 90017**

September 10, 2013

Anita Luck
Aleshire & Wynder, LLP
18881 Von Karman Avenue, Suite 1700, Tower 17
Irvine, CA 92612-6525

Phone:

Fax:

Customer Reference: Pacific Industrial Site

Title Officer: Anthony Rivera
Phone: (213)271-1723
Fax No.: (877)461-2081
E-Mail: arivera@firstam.com

Buyer:

Owner: Bell Public Financing Authority

Property: Multiple Parcels, Bell, CA

PRELIMINARY REPORT

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit A attached. *The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.* Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of August 29, 2013 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is: ALTA Extended Loan Policy - 2006
ALTA Extended Owner Policy - 2006

A specific request should be made if another form or additional coverage is desired.

Title to said estate or interest at the date hereof is vested in:

Estate 1: Parcels I, II, III

The Bell Public Financing Authority, a joint exercise of powers agency duly organized and existing under the laws of the State of California pursuant to a Joint Exercise of Powers Agreement dated August 05, 1991, by and between the City of Bell, California and the Bell Community Redevelopment Agency

Estate 1: Parcel IV

City of Bell, a charter city under the laws of the State of California

Estate 2: Parcel IV

City of Bell, a charter city under the laws of the State of California

The estate or interest in the land hereinafter described or referred to covered by this Report is:

Estate 1:

A Fee as to Parcels I, II, III and IV

An Easement as to Parcel V

Estate 2:

A Leasehold as to Parcel IV, as created by that certain lease dated October 26, 2007, executed by City of Bell Financing Authority, as lessor, and City of Bell, as lessee, as referenced in the document entitled "Memorandum of Conveyance and Lease", which was recorded October 31, 2007, as Instrument No. 07-2454864 for the term, upon and subject to all of the provisions contained in said document, and in said lease.

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2013-2014, a lien not yet due or payable.

2. General and special taxes and assessments for the fiscal year 2012-2013 are exempt. If the exempt status is terminated an additional tax may be levied. A.P. No(s): 6332-002-945; 6332-002-946; 6332-002-948; 6332-002-949; 6332-002-950; 6332-002-952; 6332-002-954 and 6332-002-965.
3. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
4. Water rights, claims or title to water, whether or not shown by the public records.
5. An easement for drainage and incidental purposes, recorded May 31, 1928 as Instrument No. 1678, in Book 7172, Page 119 of Official Records.
In Favor of: The County of Los Angeles
Affects: Two strips of land, one of which is 50 feet in width, the other of which is 32 feet in width, as therein described.
6. An easement for drainage and incidental purposes, recorded November 16, 1928 as Instrument No. 1332, in Book 7272, Page 291 of Official Records.
In Favor of: The County of Los Angeles
Affects: A strip of land 32 feet wide, as described therein.
7. An easement for drainage and incidental purposes, recorded May 31, 1928 as Instrument No. 1880, in Book 7839, Page 236 of Official Records.
In Favor of: The County of Los Angeles
Affects: A strip of land 32 feet wide, as described therein
8. Abutter's rights of ingress and egress to or from the street, highway, or freeway abutting said land have been relinquished in the document recorded January 24, 1957 as Instrument No. 3369 of Official Records.
9. The effect of a map purporting to show the land and other property, filed in Book 78, Page 65 of Record of Surveys.
10. The terms and provisions contained in the document entitled "Notice of Claim of Lien of Laguna-Maywood Mutual Water Company No. 1" recorded July 23, 1975 as Instrument No. 2813 of Official Records. (Rec'd 1/1/75)
11. The fact that the land lies within the boundaries of the Chell Industrial Redevelopment Project Area, as disclosed by the document recorded June 24, 1976 as Instrument No. 4661 of Official Records. (Rec'd 1/1/76)
12. The fact that the land lies within the boundaries of the Chell Industrial Redevelopment Project Area, as disclosed by the document recorded June 29, 1982 as Instrument No. 82-655343 of Official Records.
13. Easement(s) for the purpose(s) shown below and rights incidental thereto as reserved in a document;
Purpose: access, ingress and egress for vehicular and pedestrian traffic; utility and sewer purposes
Recorded: February 25, 1992 as Instrument No. 92-306752, of Official

Records

Affects: said land as described therein

- 14. The terms, provisions and easement(s) contained in the document entitled "Quitclaim Deed" recorded February 25, 1992 as Instrument No. 92-306752 of Official Records.
- 15. The terms and provisions contained in the document entitled "Memorandum of Installment Purchase Agreement" recorded February 25, 1992 as Instrument No. 92-306753 of Official Records.
- 16. The terms and provisions contained in the document entitled "Memorandum of Installment Purchase Agreement" recorded August 01, 1994 as Instrument No. 94-1423775 of Official Records.

Document(s) declaring modifications thereof recorded July 25, 1995 as Instrument No. 95-1208397 of Official Records.

Document(s) declaring modifications thereof recorded July 29, 1998 as Instrument No. 98-1312870 of Official Records.

- 17. Terms and provisions of an unrecorded lease, by and between the Bell Public Financing Authority as lessor and the City of Bell, a municipal corporation as lessee, as disclosed by a Memorandum of Lease Agreement and Base Lease Agreement recorded February 24, 1998 as Instrument No. 98-297449 of Official Records.

Defects, liens, encumbrances or other matters affecting the leasehold estate, whether or not shown by the public records are not shown herein.

- 18. The terms, provisions and easement(s) contained in the document entitled "Quitclaim Deed and Easements" recorded December 18, 2006 as Instrument No. 20062807198 of Official Records. (Possibly)

- 19. A Deed of Trust to secure an original indebtedness of \$35,000,000.00 recorded October 31, 2007 as Instrument No. 07-2454863 of Official Records.

Dated: October 21, 2007
 Trustor: City of Bell, and the Bell Public Financing Authority
 Trustee: Chicago Title Company
 Beneficiary: Dexia Credit Local, acting through its New York Branch

- 20. A document subject to all the terms, provisions and conditions therein dated October 26, 2007, executed by City of Bell Financing Authority and City of Bell as referenced in the document entitled "Memorandum of Conveyance and Lease", which was recorded October 31, 2007, as Instrument No. 07-2454864 for the term, upon and subject to all of the provisions contained in said document, and in said lease.

Affects: Estate 1

- 21. The fact that the land lies within the boundaries of the Adelante Eastside Redevelopment Project Area, as disclosed by the document recorded November 30, 2007 as Instrument No. 2007-2636430 of Official Records.

Document(s) declaring modifications thereof recorded October 29, 2009 as Instrument No. 2009-1635006 of Official Records.

- 22. The effect of a map purporting to show the land and other property, filed in Book 222, Pages 59 to 63, inclusive, of Record of Surveys.
- 23. Easements for street purposes as shown and delineated on the map filed in Book 222, Pages 59 to 63, inclusive, of Record of Surveys.

Affects: "1" Street and 6th Street

- 24. Notice of pendency of action recorded October 14, 2011 as Instrument No. 20111398307 of Official Records.

Court: Superior Court
Case No.: BC471478
Plaintiff: Dexia Credit Local
Defendant: City of Bell, Bell Public Financing Authority, Does 1-100
Purpose: plaintiff seeks to foreclose on the real property based on the defendants' defaults

- 25. The terms and provisions contained in the document entitled "Resolution" recorded February 14, 2012 as Instrument No. 20120249024 of Official Records.

- 26. A Deed of Trust to secure an original indebtedness of \$2,000,000.00 recorded June 10, 2013 as Instrument No. 13-0863800 of Official Records.

Dated: June 07, 2013
Trustor: The Bell Public Financing Authority
Trustee: Stewart Title of California
Beneficiary: Dexia Credit Local

- ~~27.~~ Rights of parties in possession.

INFORMATIONAL NOTES

1. The property covered by this report is government land
2. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

None
3. If this preliminary report/commitment was prepared based upon an application for a policy of title insurance that identified land by street address or assessor's parcel number only, it is the responsibility of the applicant to determine whether the land referred to herein is in fact the land that is to be described in the policy or policies to be issued.
4. Approval from the company's underwriting department must be obtained for matters arising under or related to ABx1 26 by the State of California
5. Should this report be used to facilitate your transaction, we must be provided with the following prior to the issuance of the policy:
 - A. WITH RESPECT TO A CORPORATION:
 1. A certificate of good standing of recent date issued by the Secretary of State of the corporation's state of domicile.
 2. A certificate copy of a resolution of the Board of Directors authorizing the contemplated transaction and designating which corporate officers shall have the power to execute on behalf of the corporation.
 3. Requirements which the Company may impose following its review of the above material and other information which the Company may require.
 - B. WITH RESPECT TO A CALIFORNIA LIMITED PARTNERSHIP:
 1. A certified copy of the certificate of limited partnership (form LP-1) and any amendments thereto (form LP-2) to be recorded in the public records;
 2. A full copy of the partnership agreement and any amendments;
 3. Satisfactory evidence of the consent of a majority in interest of the limited partners to the contemplated transaction;
 4. Requirements which the Company may impose following its review of the above material and other information which the Company may require.
 - C. WITH RESPECT TO A FOREIGN LIMITED PARTNERSHIP:
 1. A certified copy of the application for registration, foreign limited partnership (form LP-5) and any amendments thereto (form LP-6) to be recorded in the public records;
 2. A full copy of the partnership agreement and any amendment;
 3. Satisfactory evidence of the consent of a majority in interest of the limited partners to the contemplated transaction;
 4. Requirements which the Company may impose following its review of the above material and other information which the Company may require.
 - D. WITH RESPECT TO A GENERAL PARTNERSHIP:

1. A certified copy of a statement of partnership authority pursuant to Section 16303 of the California Corporation Code (form GP-I), executed by at least two partners, and a certified copy of any amendments to such statement (form GP-7), to be recorded in the public records;
 2. A full copy of the partnership agreement and any amendments;
 3. Requirements which the Company may impose following its review of the above material required herein and other information which the Company may require.
- E. WITH RESPECT TO A LIMITED LIABILITY COMPANY:
1. A copy of its operating agreement and any amendments thereto;
 2. If it is a California limited liability company, a certified copy of its articles of organization (LLC-1) and any certificate of correction (LLC-11), certificate of amendment (LLC-2), or restatement of articles of organization (LLC-10) to be recorded in the public records;
 3. If it is a foreign limited liability company, a certified copy of its application for registration (LLC-5) to be recorded in the public records;
 4. With respect to any deed, deed of trust, lease, subordination agreement or other document or instrument executed by such limited liability company and presented for recordation by the Company or upon which the Company is asked to rely, such document or instrument must be executed in accordance with one of the following, as appropriate:
 - (i) If the limited liability company properly operates through officers appointed or elected pursuant to the terms of a written operating agreement, such documents must be executed by at least two duly elected or appointed officers, as follows: the chairman of the board, the president or any vice president, and any secretary, assistant secretary, the chief financial officer or any assistant treasurer;
 - (ii) If the limited liability company properly operates through a manager or managers identified in the articles of organization and/or duly elected pursuant to the terms of a written operating agreement, such document must be executed by at least two such managers or by one manager if the limited liability company properly operates with the existence of only one manager.
 5. Requirements which the Company may impose following its review of the above material and other information which the Company may require.
- F. WITH RESPECT TO A TRUST:
1. A certification pursuant to Section 18100.5 of the California Probate Code in a form satisfactory to the Company.
 2. Copies of those excerpts from the original trust documents and amendments thereto which designate the trustee and confer upon the trustee the power to act in the pending transaction.
 3. Other requirements which the Company may impose following its review of the material require herein and other information which the Company may require.
- G. WITH RESPECT TO INDIVIDUALS:
1. A statement of information.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American Title Insurance Company expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

*******To obtain wire instructions for deposit of funds to your escrow file please contact your Escrow Officer.*******

LEGAL DESCRIPTION

Real property in the City of Bell, County of Los Angeles, State of California, described as follows:

PARCEL I:

THOSE PORTIONS OF LOTS 109 AND 115 IN THE RANCHO LAGUNA, IN THE CITY OF BELL, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED AS EXHIBIT "A" IN THE FINAL DECREE OF PARTITION AS CASE NO. B25296 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, A CERTIFIED COPY OF SAID DECREE BEING RECORDED IN BOOK 6387, PAGE 1 OF DEEDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF PARCEL 14 OF PARCEL MAP NO. 11282, FILED IN BOOK 120, PAGES 56 THROUGH 60 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT BEING ON A CURVE CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 501.34 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 17° 51' 36" WEST; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 4° 25' 39" AN ARC DISTANCE OF 38.74 FEET TO A POINT ON THE NORTHEAST LINE OF THE 33 FOOT WIDE STRIP OF LAND DESCRIBED IN DEED TO CENTRAL MANUFACTURING DISTRICT, INC., RECORDED IN BOOK 7471, PAGE 45 OF OFFICIAL RECORDS; THENCE SOUTH 22° 17' 15" WEST 33.00 FEET TO THE TRUE POINT OF BEGINNING; SAID TRUE POINT OF BEGINNING BEING A POINT ON THE SOUTHWEST LINE OF SAID 33-FOOT WIDE STRIP, AND SAID POINT ALSO BEING THE BEGINNING OF A CONCENTRIC CURVE CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 468.34 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 3° 10' 35" AN ARC DISTANCE OF 25.96 FEET TO A POINT ON THE EASTERLY LINE OF THE LONG BEACH FREEWAY, STATE ROUTE 710, AS DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED JANUARY 24, 1957 IN BOOK 53458, PAGE 311 OF OFFICIAL RECORDS; THENCE SOUTH 0° 43' 26" WEST 111.19 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 720.00 FEET; THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 12° 56' 00" AN ARC DISTANCE OF 162.53 FEET; THENCE TANGENT TO SAID LAST CURVE, SOUTH 12° 12' 34" EAST, 226.85 FEET; THENCE SOUTH 26° 17' 36" EAST 658.27 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 1,910.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 50° 55' 38" EAST; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 7° 42' 48", AN ARC DISTANCE OF 257.13 FEET; THENCE NORTH 22° 17' 15" EAST 977.43 FEET TO POINT ON SAID SOUTHWEST LINE OF CENTRAL MANUFACTURING DISTRICT, INC.; THENCE NORTH 67° 42' 45" WEST ALONG SAID SOUTHWEST LINE 946.51 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT ALL MINERALS, PETROLEUM, GASES AND OTHER HYDROCARBON SUBSTANCES EXISTING IN AND UNDER SAID LAND, WITHOUT THE RIGHT TO ENTER UPON OR USE THE SURFACE OF SAID LAND FOR THE EXTRACTION AND REMOVAL OF SUCH RESERVED SUBSTANCES, OR FOR ANY OTHER PURPOSE OR PURPOSES, AS RESERVED IN THE DEED RECORDED JULY 18, 1944 AS INSTRUMENT NO. 913, IN BOOK 21013, PAGE 131 OFFICIAL RECORDS.

PARCEL II:

THOSE PORTIONS OF LOTS 109, 115, 116, 117, 118 AND A PORTION OF CAMFIELD AVENUE, (VACATED) IN THE RANCHO LAGUNA, IN THE CITY OF BELL, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED AS EXHIBIT "A" IN THE FINAL DECREE OF PARTITION AS CASE NO. B25296 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, A CERTIFIED

COPY OF SAID DECREE BEING RECORDED IN BOOK 6387, PAGE 1 OF DEEDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, BEING A STRIP OF LAND 22 FEET WIDE, THE CENTERLINE OF WHICH IS DESCRIBED AS FOLLOWS:

COMMENCING AT THE WESTERLY TERMINUS OF THE CENTERLINE OF MANSFIELD WAY AS SHOWN ON PARCEL MAP NO. 11282 RECORDED IN BOOK 120, PAGES 56 THROUGH 60 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID CENTERLINE HAVING A BEARING OF NORTH 82° 57' 31" WEST; THENCE CONTINUING ON LAST MENTIONED BEARING A DISTANCE OF 174.62 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTH, HAVING A RADIUS OF 922 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15° 13' 15" AN ARC LENGTH OF 244.93 FEET; THENCE NORTH 67° 44' 16" WEST, 1,792.98 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 372 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 27° 06' 40" AN ARC LENGTH OF 176.02 FEET; THENCE TANGENT TO SAID CURVE, NORTH 40° 37' 36" WEST, 211.33 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTH, HAVING A RADIUS OF 1,522 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 6° 25' 30" AN ARC LENGTH OF 170.67 FEET; THENCE NORTH 47° 03' 06" WEST, 796.19 FEET.

THE SIDELINES OF SAID STRIP TO BE LENGTHENED OR SHORTENED SO AS TO TERMINATE AT THE WESTERLY LINE OF MANSFIELD WAY AND THE WESTERLY LINE OF FIRST STREET, ALSO KNOWN AS THE EASTERLY LINE OF PARCEL I ABOVE.

EXCEPT ALL MINERALS, PETROLEUM, GASES AND OTHER HYDROCARBON SUBSTANCES EXISTING IN AND UNDER SAID LAND, WITHOUT THE RIGHT TO ENTER UPON OR USE THE SURFACE OF SAID LAND FOR THE EXTRACTION AND REMOVAL OF SUCH RESERVED SUBSTANCES, OR FOR ANY OTHER PURPOSE OR PURPOSES, AS RESERVED IN THE DEED RECORDED JULY 18, 1944 AS INSTRUMENT NO. 913, IN BOOK 21013, PAGE 131 OFFICIAL RECORDS.

PARCEL III:

THOSE PORTIONS OF LOTS 109 & 115 IN THE RANCHO LAGUNA, IN THE CITY OF BELL, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED AS EXHIBIT "A" IN THE FINAL DECREE OF PARTITION, AS CASE NO. B25296 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, A CERTIFIED COPY OF SAID DECREE BEING RECORDED IN BOOK 6387, PAGE 1 OF DEEDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, BEING 30 FEET WIDE, THE CENTERLINE OF WHICH BEING DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF PARCEL 14 OF PARCEL MAP NO. 11282, RECORDED IN BOOK 120, PAGES 56 THROUGH 60 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT BEING ON A CURVE CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 501.34 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 17° 51' 36" WEST; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 4° 25' 39", AN ARC LENGTH OF 38.74 FEET; THENCE RADIAL TO SAID CURVE, SOUTH 22° 17' 15" WEST, 33.00 FEET TO A POINT ON THE SOUTHERLY LINE OF THAT 33.00 FOOT WIDE STRIP OF LAND DESCRIBED IN DEED TO CENTRAL MANUFACTURING DISTRICT, INC., RECORDED IN BOOK 7471, PAGE 45 OF OFFICIAL RECORDS; THENCE SOUTH 67° 42' 45" EAST ALONG SAID SOUTHERLY LINE 961.51 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 22° 17' 15" WEST 983.17 FEET, MORE OR LESS, TO A POINT ON THE EASTERLY LINE OF STATE ROUTE 710, AS DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED JANUARY 24, 1957 IN BOOK 53458 PAGE 311 OF OFFICIAL RECORDS.

THE SIDELINES OF SAID STRIP TO BE LENGTHENED OR SHORTENED TO TERMINATE AT THE SOUTHERLY LINE OF SAID 33 FOOT WIDE STRIP AND SAID EASTERLY LINE OF STATE ROUTE

710.

EXCEPT ALL MINERALS, PETROLEUM, GASES AND OTHER HYDROCARBON SUBSTANCES EXISTING IN AND UNDER SAID LAND, WITHOUT THE RIGHT TO ENTER UPON OR USE THE SURFACE OF SAID LAND FOR THE EXTRACTION AND REMOVAL OF SUCH RESERVED SUBSTANCES, OR FOR ANY OTHER PURPOSE OR PURPOSES, AS RESERVED IN THE DEED RECORDED JULY 18, 1944 AS INSTRUMENT NO. 913, IN BOOK 21013, PAGE 131 OFFICIAL RECORDS.

PARCEL IV:

THE FOLLOWING PARCELS OF LAND IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, INCLUDING PORTIONS OF LOTS 106 TO 109 INCLUSIVE, AND LOTS 115 TO 118 INCLUSIVE, AND THAT PORTION OF CAMFIELD AVENUE, ADJOINING LOTS 106, 107, 117 AND 118 VACATED BY AN ORDER OF THE BOARD OF SUPERVISORS OF SAID COUNTY, RECORDED IN BOOK 10430, PAGE 32, OF OFFICIAL RECORDS OF SAID COUNTY, ALL IN RANCHO LAGUNA AS SHOWN MAP FILED AS EXHIBIT "A" IN CASE NO. B-25296 OF SUPERIOR COURT OF THE STATE OF CALIFORNIA, LOS ANGELES COUNTY, AND ALSO A PORTION OF THE RANCHO SAN ANTONIO, AS PER MAP RECORDED IN BOOK 1, PAGE 389 OF PATENTS, RECORDS OF SAID LOS ANGELES COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL "F":

COMMENCING AT A FOUND CONCRETE MONUMENT WITH BRASS PLATE STAMPED "LS 2348" MARKING THE MOST NORTHERLY CORNER OF PARCEL 10 OF PARCEL MAP NO. 11282, AS PER MAP FILED IN BOOK 120, PAGES 56 THROUGH 60 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY SAID POINT ALSO BEING A POINT ON THE SOUTHERLY LINE OF 33 FOOT WIDE STRIP DESCRIBED AS PARCEL 2 IN DEED RECORDED IN BOOK 7471, PAGE 45 OF OFFICIAL RECORDS; THENCE ALONG SAID SOUTHERLY LINE NORTH 67° 48' 18" WEST, 2711.76 FEET TO THE POINT OF BEGINNING; THENCE LEAVING SAID SOUTHERLY LINE SOUTH 22° 11' 36" WEST, 722.40 FEET; THENCE NORTH 67° 48' 18" WEST, 696.32 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "A" SAID POINT ALSO BEING A POINT ON THE EASTERLY LINE OF LAND DESCRIBED IN EXCEPTION TO TITLE IN FAVOR OF THE BELL PUBLIC FINANCING AUTHORITY PER INSTRUMENT NO. 92-306752 RECORDED FEBRUARY 25, 1992 OF OFFICIAL RECORDS; THENCE ALONG SAID EASTERLY LINE NORTH 22° 11' 36" EAST, 722.40 FEET TO A POINT ON SAID SOUTHERLY LINE; THENCE LEAVING SAID EASTERLY LINE ALONG SAID SOUTHERLY LINE SOUTH 67° 48' 18" EAST, 696.32 FEET TO THE POINT OF BEGINNING.

PARCEL "G":

BEGINNING AT POINT "A" DESCRIBED IN THE AFOREMENTIONED PARCEL "F"; THENCE SOUTH 67° 48' 18" EAST, 443.52 FEET; THENCE SOUTH 22° 11' 36" WEST, 401.80 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "B" SAID POINT ALSO BEING A POINT ON THE NORTHERLY LINE OF "K" STREET DESCRIBED IN EXCEPTION TO TITLE IN FAVOR OF THE BELL PUBLIC FINANCING AUTHORITY PER INSTRUMENT NO. 92-306752 RECORDED FEBRUARY 25, 1992; THENCE ALONG SAID NORTHERLY LINE NORTH 46° 53' 58" WEST, 474.78 FEET TO A POINT ON THE EASTERLY LINE OF LAND DESCRIBED IN EXCEPTION TO TITLE IN FAVOR OF THE BELL PUBLIC FINANCING AUTHORITY PER INSTRUMENT NO. 92-306752 RECORDED FEBRUARY 25, 1992 OF OFFICIAL RECORDS; THENCE LEAVING SAID NORTHERLY LINE ALONG SAID EASTERLY LINE NORTH 22° 11' 36" EAST, 232.38 FEET TO THE POINT OF BEGINNING. THENCE COMMENCING AT POINT "B" DESCRIBED ABOVE; THENCE SOUTH 22° 11' 36" WEST, 23.55 FEET TO THE POINT OF BEGINNING AND A POINT ON THE SOUTHERLY LINE OF "K" STREET DESCRIBED IN EXCEPTION TO TITLE IN FAVOR OF THE BELL PUBLIC FINANCING AUTHORITY PER INSTRUMENT NO. 92-306752 RECORDED FEBRUARY 25, 1992; THENCE

SOUTH 22° 11' 36" WEST, 10.83 FEET TO A POINT ON THE NORTHEASTERLY RIGHT-OF-WAY OF INTERSTATE 710 AS SHOWN ON CALTRANS RIGHT-OF-WAY MAP NO. S.F. 1524-3-6; THENCE ALONG SAID NORTHEASTERLY RIGHT-OF-WAY NORTH 46° 52' 58" WEST, 474.84 FEET TO A POINT ON THE EASTERLY LINE OF LAND DESCRIBED IN EXCEPTION TO TITLE IN FAVOR OF THE BELL PUBLIC FINANCING AUTHORITY PER INSTRUMENT NO. 92-306752 RECORDED FEBRUARY 25, 1992 OF OFFICIAL RECORDS; THENCE ALONG SAID EASTERLY LINE NORTH 22° 11' 36" EAST, 10.68 FEET TO SAID SOUTHERLY LINE; THENCE SOUTH 46° 53' 58" EAST, 474.78 FEET TO THE POINT OF BEGINNING.

PARCEL "H":

COMMENCING AT A FOUND CONCRETE MONUMENT WITH BRASS PLATE STAMPED "LS 2348" MARKING THE MOST NORTHERLY CORNER OF PARCEL 10 OF PARCEL MAP NO. 11282, AS PER MAP FILED IN BOOK 120 PAGES 56 THROUGH 60 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG THE WESTERLY LINE OF SAID PARCEL MAP THE FOLLOWING COURSES: SOUTH 22° 11' 36" WEST, 662.47 FEET; THENCE SOUTH 82° 43' 02" EAST, 19.98 FEET; THENCE SOUTH 22° 12' 11" WEST, 65.07 FEET TO THE CENTERLINE OF EXISTING RICKENBACKER ROAD PER SAID PARCEL MAP NO. 11282 AND THE POINT OF BEGINNING; THENCE SOUTH 22° 12' 11" WEST, 32.57 FEET; THENCE, NORTH 82° 49' 45" WEST, 20.00 FEET; THENCE SOUTH 22° 11' 58" WEST, 356.23 FEET; THENCE LEAVING SAID WESTERLY LINE NORTH 67° 48' 18" EAST, 1178.38 FEET TO THE POINT OF BEGINNING.

PARCEL V:

NON-EXCLUSIVE EASEMENTS FOR RIGHT OF WAY AND UTILITY, AS RESERVED IN THAT CERTAIN "QUITCLAIM DEED AND EASEMENTS", EXECUTED BY UNITED STATES OF AMERICA, AS GRANTOR DATED AS OF DECEMBER 15, 2006 AND RECORDED DECEMBER 18, 2006 AS INSTRUMENT NO. 06-2807198, OVER THOSE PORTIONS OF THE LAND DEPICTED AS "EASEMENT I" AND EASEMENT K", ATTACHED TO AND MADE A PART OF THE AFOREMENTIONED DOCUMENT.

APN: 6332-002-945, 6332-002-946, 6332-002-948, 6332-002-949, 6332-002-950, 6332-002-952, 6332-002-954 and 6332-002-965

The First American Corporation
First American Title Company
Privacy Policy

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our parent company, The First American Corporation, we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values, a copy of which can be found on our website at www.firstam.com.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)
EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - (a) building;
 - (b) zoning;
 - (c) land use;
 - (d) improvements on the Land;
 - (e) land division; and
 - (f) environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - (a) that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - (b) that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - (c) that result in no loss to You; or
 - (d) that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - (a) to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - (b) in streets, alleys, or waterways that touch the Land.This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows: For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16: 1% of Policy Amount or \$2,500.00 (whichever is less)	\$10,000.00
Covered Risk 18: 1% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 19: 1% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 21: 1% of Policy Amount or \$2,500.00 (whichever is less)	\$5,000.00

ALTA RESIDENTIAL TITLE INSURANCE POLICY (6-1-67)
EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - (a) and use
 - (b) improvements on the land
 - (c) and division
 - (d) environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date.

This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.

2. The right to take the land by condemning it, unless:
 - (a) a notice of exercising the right appears in the public records on the Policy Date
 - (b) the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking

3. Title Risks:
 - (a) that are created, allowed, or agreed to by you
 - (b) that are known to you, but not to us, on the Policy Date -- unless they appeared in the public records
 - (c) that result in no loss to you
 - (d) that first affect your title after the Policy Date -- this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
 4. Failure to pay value for your title.
 5. Lack of a right:
 - (a) to any land outside the area specifically described and referred to in Item 3 of Schedule A OR
 - (b) in streets, alleys, or waterways that touch your land
- This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

2006 ALTA LOAN POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement erected on the Land;
 - iii. the subdivision of land; or
 - iv. environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- b. Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - a. created, suffered, assumed, or agreed to by the Insured Claimant;
 - b. not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - c. resulting in no loss or damage to the Insured Claimant;
 - d. attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - e. resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - a. a fraudulent conveyance or fraudulent transfer, or
 - b. a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

2006 ALTA OWNER'S POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement erected on the Land;
 - iii. the subdivision of land; or
 - iv. environmental protection;

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.

b. Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - a. created, suffered, assumed, or agreed to by the Insured Claimant;
 - b. not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - c. resulting in no loss or damage to the Insured Claimant;
 - d. attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - e. resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - a. a fraudulent conveyance or fraudulent transfer, or
 - b. a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (07-28-10)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement erected on the Land;
 - iii. the subdivision of land; or
 - iv. environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
 - b. Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - a. created, suffered, assumed, or agreed to by the Insured Claimant;
 - b. not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - c. resulting in no loss or damage to the Insured Claimant;
 - d. attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - e. resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - a. a fraudulent conveyance or fraudulent transfer, or
 - b. a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.

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

I, Janet Martinez, Secretary of the Bell Public Financing Authority, Bell, California, do hereby certify that the whole number of members of the Board of Directors of the Bell Public Financing Authority is five; that the foregoing resolution, being Resolution No. 2013-35-PFA was duly and regularly adopted by said Board of Directors at a regular meeting duly held on the 7th day of August, 2013, and that the same was passed and adopted by the following vote:

AYES: Agency Members Romero, Saleh, Valencia, Quintana and Alvarez

NOES: None

ABSENT: None

ABSTAIN: None



Janet Martinez, Agency Secretary