

**PURCHASE AND SALE AGREEMENT AND JOINT ESCROW
INSTRUCTIONS REGARDING THE PURCHASE OF CERTAIN
PROPERTY INTERESTS FROM THE REAL PROPERTY
COMMONLY KNOWN AS 3500 N. SEPULVEDA BOULEVARD,
MANHATTAN BEACH, CALIFORNIA, AND FURTHER
IDENTIFIED AS LOS ANGELES COUNTY TAX ASSESSOR'S
PARCEL NUMBER 4138-020-014**

This Purchase and Sale Agreement and Joint Escrow Instructions Regarding the Purchase of Certain Property Interests on the real property commonly known as 3500 N. Sepulveda Boulevard, Manhattan Beach, California, and further identified as Los Angeles County Tax Assessor's Parcel Number 4138-020-014 is dated and entered into as of 11-4, 2016 ("effective date") ("Agreement") by and between the "Seller" (collectively 3500 Sepulveda LLC, 13th & Crest Associates, LLC, and 6220 Spring Associates, LLC) and the "Buyer" being the City of Manhattan Beach, a municipal corporation (referred to below as "City"), and constitutes an agreement to purchase and sell real property between the parties and the parties' joint escrow instructions directed to First American Title Company ("Escrow Holder"). The City and Seller will individually and collectively hereafter be referred to as "Party" or "Parties."

RECITALS

A. Seller is the record fee owner of 3500 N. Sepulveda Boulevard, Manhattan Beach, California, and further identified as Los Angeles County Tax Assessor's Parcel Number 4138-020-014 ("Property").

B. The City's acquisition of certain rights from the Property is for a public purpose and use--the construction and maintenance of the Sepulveda Bridge Widening Project (Project). The Project is intended to provide a benefit to the residents of the City, and the general public, in that the Project will serve the public interest by decreasing traffic congestion on Sepulveda Boulevard. As a part of the Project, the City seeks to acquire certain real property rights from the Property: (1) Permanent Highway Maintenance Easement (978 square feet), and (2) Temporary Construction Easement (1,744 square feet) collectively referred to hereafter as the "Subject Property Interests." The legal descriptions and maps of the Subject Property Interests are attached as Exhibits "A", "B", "C" and "D" to this Agreement--both the maps and legal descriptions are incorporated into the Agreement by this reference.

C. The Project will not result in the displacement of any business or person from the Property.

D. The Seller acknowledges that the City is authorized to acquire real property by eminent domain for a public use, including public street purposes and all uses necessary or convenient thereto, pursuant to the authority conferred upon the City of Manhattan Beach by California Constitution Article 1, Section 19, California Government Code Sections 37350, 37350.5, 37351, 40401 and 40404 and California Code of Civil Procedure Sections 1230.010 *et seq.* (Eminent Domain Law), including, but not limited to, Code of Civil Procedure Section

1240.410. The Seller also acknowledges that the Project is a public use for which the City has the authority to exercise the power of eminent domain. The City acknowledges that this Agreement is the result of the City's initiation of the eminent domain process. The City represents that, if a negotiated acquisition does not occur, the City intends to schedule an appropriately noticed public hearing to consider the adoption of a resolution of necessity to acquire the Subject Property Interests under the City's power of eminent domain.

E. Seller is solely responsible for consulting Seller's tax advisor or seeking a letter ruling from the Internal Revenue Service regarding the applicability of 26 U.S.C. Section 1033 to Seller's sale of the Subject Property Interests to the City. The City makes no express or implied representation regarding the applicability of 26 U.S.C. Section 1033 to this transaction.

F. Seller desires to sell and City desires to buy the Subject Property Interests on the terms and conditions set forth herein.

G. The Parties' obligations to perform under this Agreement are expressly conditioned upon the City's receipt, review and pre-approval of a "prospective payment amount" payable to Seller for Seller's costs to complete a proposed project replacing existing windows along the building's exterior westerly walls with "sound-mitigating windows." Within 30 days of the full execution of this Agreement by the Parties and before the Parties' become obligated to perform under this Agreement, Seller shall provide the City with the Seller's proposed prospective payment amount and two contractor "firm" bids ("Seller's bids"). Seller's bids shall itemize the proposed project costs and include the prospective contractor's commitment to perform the proposed project for said "firm" bid price. The required itemization in Seller's bids must have enough specificity for the City to conduct a review and comparison of the reasonableness of the proposed project costs for the work to be performed. Following receipt of the Seller's requested prospective payment amount and Seller's bids, the City shall have ten (10) business days to notify Seller of the City's decision to approve or reject Seller's proposed project cost amount. Nonetheless, this Agreement in its entirety, including all recitals, shall automatically terminate without further notice to Seller upon the expiration of the City's 10-business-day notice period, unless the City either accepts Seller's proposed project cost amount, or the Parties agree, in writing, to extend the City's acceptance period.

H. Upon the full execution of this Agreement by the Parties, the Seller agrees that the City and its designees may immediately proceed to contact the tenants of the Property to investigate and confirm any special requirements that the tenants may have concerning the design and construction of the Project as proposed, so that any necessary special requirements can be incorporated into the Project's construction documents.

NOW THEREFORE, in consideration of the above Recitals, which are incorporated herein by this reference, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, City and Seller agree to the following:

1. **Purchase and Sale.** On the Close of Escrow (as defined in Section 2 below), Seller agrees to sell the Subject Property Interests to the City, and the City agrees to purchase the Subject Property Interests from Seller, subject to the terms and conditions set forth in this Agreement.

2. **Opening and Close of Escrow.** Within five business days after the effective date of this Agreement, the City will deliver a certified copy of the fully-executed Agreement to Escrow Holder. For purposes of this Agreement, Opening of Escrow means the date on which Escrow Holder receives from City the certified copy of this Agreement. The parties can execute the Agreement in counterparts as set forth in Section 21.f. below. Close of Escrow means the date on which the Grant of Permanent Highway Maintenance Easement (as defined and referenced in Section 6.a. below) is delivered and recorded in the Official Records of the County of Los Angeles. The Close of Escrow will occur after the performance of all duties and obligations under this Escrow that are required to take place prior to Close of Escrow. The Close of Escrow will be on the date that is not later than the first business day occurring 60 calendar days after the Opening of Escrow. Before the Close of Escrow, all risk of loss and damage to the Subject Property Interests from any source whatsoever will be solely that of Seller.

3. **Total Compensation.** The "Total Compensation" from City to Seller represents the fair market value of the Subject Property Interests being acquired by City and is described as follows:

- a. The sum of Two Hundred Forty Seven Thousand and Five Hundred Dollars (\$247,500.00); and
- b. The monetary cost for the installation of sound-mitigating replacement windows in the agreed areas of the commercial building on the Property, but subject to and expressly conditional upon the City's pre-approval of such Seller costs, in the City's sole and absolute discretion; and
- c. The City will incorporate the following into the Project's contractor requirements:
 - i. A protected walkway in the temporary construction easement area that will ensure access to the rear doors of the Property at all times during the tenant businesses' business hours; and
 - ii. For the duration of the temporary construction easement, obtaining temporary storage pod(s) that are necessary for securing the personal property of Seller and Seller's tenants that is being temporarily displaced because of the construction project. The location and installation of the temporary pods on the Seller's remainder property will be at the direction and discretion of Seller and Seller's tenants working with the project contractor; and
- d. The City will either pay, credit or waive building and other permit fees that are specifically related to the proposed one-time installation of sound-mitigating replacement windows on the Property, with the City's obligation for payment (but not waiver) of fees up to but not to exceed \$2,000.00.
- e. In the unlikely event that the City's use of the TCE extends beyond the agreed 18 month period, the Parties agree in advance and in lieu of litigation over this issue that

the City will pay the Seller additional compensation in the amount of \$98.12 for each additional day of the extension period. In no event will the City's extension period exceed six months.

4. **Title and Title Insurance.** Upon the Opening of Escrow, Escrow Holder will obtain and issue a title commitment for the Subject Property Interests. Escrow Holder will also request two copies each of all instruments identified as exceptions on said title commitment. Upon receipt of the foregoing, Escrow Holder will deliver these instruments and the title commitment to City and Seller. Escrow Holder will insure City's interest in the Subject Property Interests described above in Section B of the Recitals and on Exhibits "A", "B", "C", and "D" to this Agreement at the Close of Escrow by a CLTA Owner's Standard Coverage Policy of Title Insurance in the amount of the Total Compensation (the "Policy"). City will pay for the cost of the Policy. The Policy provided for pursuant to this Section will insure City's interest in the Subject Property Interests free and clear of all liens, encumbrances, restrictions, and rights-of-way of record, subject only to the following permitted conditions of title ("Permitted Title Exceptions"):

a. General and special real property taxes for the then current tax fiscal year that are a lien not then due and payable;

b. The applicable zoning, building and development regulations of any municipality, county, state or federal jurisdiction affecting the Subject Property Interests; and

c. Those non-monetary exceptions approved by City within ten business days after the date City receives the title commitment and legible copies of all instruments noted as exceptions therein. If City unconditionally disapproves any such exceptions, Escrow will thereupon terminate, all funds deposited therein will be refunded to City (less City's share of escrow cancellation charges), and this Agreement, including the recitals, will have no further force or effect. If City conditionally disapproves any such exceptions, then Seller will use Seller's best efforts to cause such exceptions to be removed by the Close of Escrow. If such conditionally disapproved non-monetary exceptions are not removed by the Close of Escrow, City may, at City's option, either accept the Subject Property Interests subject to such encumbrances, or terminate the Escrow and receive a refund of all funds deposited into Escrow (less escrow cancellation charges), if any, and this Agreement, including the recitals, will thereupon be of no further force or effect. At the Close of Escrow, City's interests in the Subject Property Interests will be free and clear of all monetary encumbrances.

5. **Deposit of Funds in Escrow.** City covenants and agrees to deposit into Escrow such Total Compensation escrow funds as are required within five business days of receiving written notice from Escrow Holder regarding the confirmation of the completion of the conditions required herein for the Close of Escrow.

6. **Deposit of Documents in Escrow by Seller.**

a. *Grant of Permanent Highway Maintenance Easement.* Seller will, within 15 business days after the effective date of this Agreement, deposit with Escrow Holder a Grant of Permanent Highway Maintenance Easement granting to the City the easement for public street purposes and all uses necessary or convenient thereto ("Grant of Permanent Highway

Maintenance Easement”) duly executed and acknowledged by Seller in the form attached hereto as Exhibit “E”, and incorporated herein by this reference. City will accept said executed Grant of Permanent Highway Maintenance Easement prior to recording.

b. *Grant of Temporary Construction Easement.* Seller will, within 15 business days after the effective date of this Agreement, deposit with Escrow Holder a Grant of Temporary Construction Easement granting to the City the easement for construction and public street purposes and all uses necessary or convenient thereto (“Grant of Temporary Construction Easement”) duly executed and acknowledged by Seller in the form attached hereto as Exhibit “F”, and incorporated herein by this reference. City will accept said executed Grant of Temporary Construction Easement prior to recording.

c. *Withholding Exemption Certificate.* Seller will deliver to Escrow Holder, prior to the Close of Escrow, a Withholding Exemption Certificate 593-C as contemplated by California Revenue and Taxation Code Section 18862.

d. *Proof of Seller's Authorization.* Seller will deliver to Escrow such proof of Seller's authorization to enter into this transaction as Escrow Holder may reasonably require to issue the Policy.

7. **Authorization to Record Documents and Disburse Funds.** Escrow Holder is hereby authorized to record the documents and disburse the funds and documents called for hereunder upon the Close of Escrow, provided each of the following conditions has then been fulfilled:

a. Escrow Holder can issue in favor of City the Policy, showing City's interest in the Subject Property Interests in favor of City, subject only to the Permitted Title Exceptions. Escrow Holder will use the proceeds from the Total Compensation to obtain a full reconveyance of any monetary liens encumbering the Subject Property Interests, so that the easements are free and clear of monetary liens and encumbrances at the Close of Escrow. Escrow Holder will notify Seller of the amount of the disbursement of the proceeds required to clear any monetary lien prior to disbursing such proceeds to the holder(s) of the monetary liens encumbering the Subject Property Interests;

b. City will have deposited with Escrow Holder the Total Compensation and escrow charges;

c. Escrow Holder will have received City's notice of approval or satisfaction or waiver of all of the contingencies to City's obligations hereunder, as provided for below in Section 15;

d. Seller will have deposited with Escrow Holder the executed Grant of Permanent Highway Maintenance Easement and Grant of Temporary Construction Easement required by Section 6; and

e. Seller will have deposited with the City the Due Diligence Right of Entry and Construction Right of Entry required by Section 9.

Unless otherwise instructed in writing, Escrow Holder is authorized to record at the Close of Escrow any instrument delivered through this Escrow if necessary or proper for issuance of the Policy, including the Grant of Permanent Highway Maintenance Easement and Grant of Temporary Construction Easement.

8. Escrow Charges and Prorations.

a. City will pay for the cost of the Policy, escrow costs and Escrow Holder's customary out-of-pocket expenses for messenger services, long distance telephone, etc. City will pay for recording the Grant of Permanent Highway Maintenance Easement and Grant of Temporary Construction Easement, any documentary or other local transfer taxes, and any other recording fees. If the Escrow fails to close through no fault of either party, City will pay all escrow cancellation charges.

b. Any installment of taxes or assessments for the current year paid at or prior to the Close of Escrow shall be prorated based upon the amounts actually paid. If taxes and assessments for the current year have not been paid before the Close of Escrow, Seller shall be charged, at the Close of Escrow, an amount equal to that portion of such taxes and assessments that relates to the period before the Close of Escrow and City will pay the taxes and assessments prior to their becoming delinquent. Any such apportionment made with respect to a tax year for which the tax rate or assessed valuation, or both, have not yet been fixed will be based upon the tax rate and/or assessed valuation last fixed. To the extent that the actual taxes and assessments for the current year differ from the amount apportioned at the Close of Escrow, the parties will make all necessary adjustments by appropriate payments between themselves following the Close of Escrow. Seller will pay all delinquent taxes and assessments (and any penalties therein) for periods prior to the Close of Escrow, if any, affecting the Subject Property Interests.

c. All prorations will be determined on the basis of a 365-day year. The provisions of this Section 8 will survive the Close of Escrow.

9. Right of Entry and Access Agreement-Due Diligence Right of Entry. Seller shall grant to the City a Right of Entry and Access Agreement – Due Diligence Activities ("Due Diligence Right of Entry") in substantially the form attached hereto as Exhibit "G". Seller shall deposit with the City the executed Due Diligence Right of Entry prior to the Close of Escrow. During the period commencing on the effective date of the Due Diligence Right of Entry and ending at 5:00 p.m. 30 calendar days after said commencement date ("Due Diligence Period"), City may inspect the Subject Property Interests as necessary for the purpose of making inspections and other examinations of the Subject Property Interests, including, but not limited to, the right to perform soil and geological tests of the Subject Property Interests and an environmental site assessment thereof. City will provide 48 hours telephonic notice to Seller before going on the Subject Property Interests. City's physical inspection of the Subject Property Interests shall be conducted during normal business hours. No invasive testing or boring shall be done by City without the prior written notification of Seller and the written permission of the same from Seller, which permission shall not be unreasonably withheld. Seller warrants that except for Seller and their tenants, no other person or entity has the right to occupy the Subject Property Interests, or any portion thereof, and that the Due Diligence Right of Entry does not require the consent of any party not a signatory thereto.

10. **Warranties and Representations of Seller; Indemnity.** Seller, where applicable, hereby represents and warrants to City the following, it being expressly understood and agreed that (1) all such representations and warranties are to be true and correct in all material respects as of the effective date of this Agreement and (2) all such representations and warranties are based on the actual knowledge of Mark Neumann, without any duty of specific investigation. If Mark Neumann acquires additional knowledge regarding the matters that are the subject of the warranties or representations contained in this Section 10 that would cause any of such warranties or representations to be incorrect in any material respect prior to the Close of Escrow, Seller shall give prompt written notice thereof to City. Within ten business days following receipt of such notice, City may elect to cancel this Agreement and receive a refund of the funds deposited in escrow, except for any escrow cancellation charges. As of the Close of Escrow, the warranties and representations contained in this Section 10 shall be true and correct in all material respects, subject to any matters disclosed in writing by Seller as provided in this Section and will survive the Close of Escrow:

a. Seller is the record fee owner of the Property and no other party has a fee interest in the Property, or any portion thereof.

b. To the best of Seller's knowledge, that (i) on the Close of Escrow the Subject Property Interests will be free and clear of any and all Hazardous Materials (as defined in Section 16 below), hazardous or toxic substances, materials, and waste, including, but not limited to, asbestos; (ii) all businesses on or occupants of the Subject Property Interests have disposed of their waste in accordance with all applicable statutes, ordinances, and regulations; and (iii) Seller has no notice of any pending or threatened action or proceeding arising out of the condition of the Subject Property Interests or alleged violation of environmental, health or safety statutes, ordinance or regulations.

c. To the best of Seller's knowledge, Seller has not received any written notice, warning, notice of violation, administrative complaint, judicial complaint, or other formal or informal notice alleging that conditions on the Subject Property Interests are or have been in violation of any Environmental Laws as described below in Section 16, or informing Seller that the Subject Property Interests are subject to investigation or inquiry regarding Hazardous Materials (as defined in Section 16 below) on the Subject Property Interests or the potential violation of any Environmental Laws.

d. Neither this Agreement nor anything provided to be done hereunder, including the transfer of the Subject Property Interests to City, violates or will violate any contract, agreement, instrument, partnership agreement, trust agreement, or any other agreement to which Seller is a party, or which affects the Subject Property Interests, and Seller's grant to City of the easement comprising the Subject Property Interests pursuant to this Agreement does not require the consent of any party not a signatory hereto.

e. To Seller's actual knowledge, there are no pending, threatened or potential litigation, action or proceeding against Seller, or any other party before any court or administrative tribunal that involves the Property, or any portion thereof.

f. Except as disclosed in the title commitment referred to in Section 4, there are no claims or liens presently claimed, or which will be claimed, against the Subject Property Interests for work performed or commenced by contractors, subcontractors, suppliers, engineers and/or architects and surveyors who might have lien rights prior to the date of this Agreement. Seller agrees to hold City harmless from all costs, expenses, liabilities, losses, charges, fees, including attorney fees, arising from or relating to any such lien or any similar lien claimed against the Subject Property Interests and arising from work performed or commenced prior to the Close of Escrow.

g. Seller has the full right and power to execute, deliver and perform its obligations under this Agreement, and when executed and delivered, Seller and all parties having an interest in the Subject Property Interests, shall be lawfully bound by the terms of the Agreement. Seller is the sole owner of the Subject Property Interests free and clear of all liens, claims, encumbrances, easement, encroachments from adjacent properties, including encroachments of improvements or vegetation, on the Subject Property Interests, or rights-of-way of any nature, other than those that may appear on the title commitment or visible by physical inspection. Seller will not further encumber the Subject Property Interests or allow the Subject Property Interests to be further encumbered prior to the Close of Escrow.

h. Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code.

i. Other than the leases with the business tenants occupying the Property, there are no leases, licenses, occupancy agreements, or other agreements or arrangements, oral or written, demising space in, providing for the use, possession, or occupancy of, or otherwise similarly affecting or relating to the Property, or any portion thereof, that would interfere with or prevent the City's intended use of the Subject Property Interests being acquired through this Agreement.

j. Until Close of Escrow, Seller agrees to provide to any potential buyer or tenant of the Property written notice of this Agreement, Grant of Permanent Highway Maintenance Easement, Grant of Temporary Construction Easement, and the Right of Entry and Access Agreement - Due Diligence Activities.

k. To the fullest extent permitted by law, Seller will indemnify, defend and hold harmless City, and its elected and appointed councilmembers, officials, officers, boards, commissions, consultants, agents, employees, and attorneys from and against any and all claims, demands, obligations, damages, actions, causes of action, suits, losses, judgments, fines, penalties, liabilities, costs, and expenses (including, without limitation, reasonable attorneys' fees, expert witness fees, disbursements and court costs) of every kind and nature whatsoever (collectively, "Claims") that may arise out of, result from, or in any matter be related (directly or indirectly) to the failure of the warranties or representations of Seller contained in this Section 10 to be true and correct in all material respects.

The indemnification provisions of this Section 10 shall survive the Close of Escrow for the longest period permitted by law and shall not be deemed merged or extinguished upon the

recordation of the Grant of Permanent Highway Maintenance Easement and Grant of Temporary Construction Easement.

11. **Representations and Warranties of City.** City hereby represents and warrants to Seller the following, it being expressly understood and agreed that all such representations and warranties are to be true and correct as of the Close of Escrow and shall survive the Close of Escrow:

a. City has taken all required action to permit it to execute, deliver, and perform its obligations under this Agreement.

b. City has the power and authority to execute and deliver this Agreement and carry out its obligations hereunder and consummate the transaction contemplated herein.

c. Neither this Agreement nor anything to be provided to be done hereunder, including acquisition of the Subject Property Interests by City, violates or shall violate, any contract, instrument, partnership agreement, trust agreement, or any other agreement to which City is a party, and which affects the Subject Property Interests or any part thereof, and the purchase of the Subject Property Interests herein contemplated does not require the consent of any party not a signatory hereto.

12. **City's Tender of Total Compensation.**

a. The City's tender of the Total Compensation to Seller is an all-inclusive settlement and constitutes the full and complete consideration--including specified monetary payments--of just compensation for the City's acquisition of the Subject Property Interests, including all improvements located in the area of the Subject Property Interests. The Total Compensation is also full and complete consideration for all claims arising in connection with or out of City's acquisition of the Subject Property Interests for the Project and construction of the Project in the manner proposed, including, but not limited to, claims for severance damages, cost-to-cure damages, inverse condemnation, de facto taking, precondemnation damages, improvements pertaining to the realty, attorneys' fees, interest, loss of rents, loss of profits, loss of business goodwill pursuant to Code of Civil Procedure Section 1263.510, temporary severance damages, temporary impacts related to the construction of the Project, and any other damages of every kind and nature suffered by Seller by reason of the City's acquisition of the Subject Property Interests, or the Project for which the City is acquiring the Subject Property Interests, and all costs and expenses whatever in connection therewith.

b. *Relocation Assistance and Benefits.* There are no permanent structures located in the area of the Subject Property Interests. The City's acquisition of the Subject Property Interests and construction of the Project, in the manner proposed, will not result in the displacement of any person or business on the Property of which the Subject Property Interests are a part. Accordingly, City will have no further obligation to Seller, under any federal or state relocation laws or regulations, including, without limitation, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601 *et seq.*) ("Uniform Act"), if applicable, or under Title 1, Division 7, Chapter 1 of the Government Code of the State of California (Section 7260 *et seq.*) ("California Relocation Law"), or the Relocation Assistance

and Real Property Acquisition Guidelines (Chapter 6 of Title 25 of the California Code of Regulations).

c. This Agreement is a voluntary agreement and Seller, on the Close of Escrow, on behalf of Seller and its successors and assigns, fully releases City, its elected and appointed councilmembers, officials, officers, boards, commissions, consultants, agents, employees, and attorneys, from all claims and causes of action by reason of any damage that has been sustained, or may be sustained, as a result of City's efforts to acquire the Subject Property Interests or any preliminary steps thereto and from any and all claims, demands, causes of action, obligations, liabilities or claims for further compensation relating to City's purchase of the Subject Property Interests.

d. Seller acknowledges that it may have sustained damage, loss, costs or expenses that are presently unknown and unsuspected, and such damage, loss, costs or expenses that may have been sustained, may give rise to additional damages, loss, costs or expenses in the future. Nevertheless, Seller hereby acknowledges that this Agreement has been negotiated and agreed upon in light of that situation, and hereby expressly waives any and all rights that Seller may have under California Civil Code Section 1542, or under any statute or common law or equitable principle of similar effect as these may relate to the releases described in Section 12 herein. California Civil Code Section 1542 provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

Seller's Initials: _____

City's Initials: _____

e. This Section 12 will survive the Close of Escrow.

13. **City's Contingencies**. For the benefit of City, the Close of Escrow and the City's obligation to consummate the purchase of the Subject Property Interests will be contingent upon and subject to the occurrence of all of the following (or City's written waiver thereof, it being agreed that City can waive any or all such contingencies) on or before the Close of Escrow:

a. That as of the Close of Escrow the representations and warranties of Seller contained in this Agreement are all true and correct.

b. The delivery to Escrow Holder of all documents pursuant to Section 6.

c. The delivery to the City of the Due Diligence Right of Entry pursuant to Section 9.

d. Title Company's commitment to issue in favor of City the Policy with liability equal to the Total Compensation showing City's interest in the Subject Property Interests, subject only to the Permitted Title Exceptions.

e. City's approval prior to the Close of Escrow of any environmental site assessment, soils or geological reports, or other physical inspections of the Subject Property Interests that City might perform prior to the Close of Escrow.

14. **Right of Termination.** Notwithstanding anything to the contrary contained herein, and without limiting any other right of termination for the benefit of City contained herein, the City shall have the right, in the exercise of its sole and absolute discretion, and upon written notice to Seller and Escrow Holder, to terminate this Agreement (a) at any time prior to the expiration of the Due Diligence Period for any reason or no reason whatsoever, and (b) at any time prior to the Close of Escrow upon the failure of any of the City's contingencies described in Section 14. Upon such termination, all documents and monies deposited with Escrow Holder, less any escrow cancellation charges, shall be immediately returned to the depositing party.

15. **Certain Definitions.**

a. The term "Hazardous Materials" shall mean and include the following, including mixtures thereof: any hazardous substance, pollutant, contaminant, waste, by-product or constituent regulated under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 *et seq.*; oil and petroleum products and natural gas, natural gas liquids, liquefied natural gas and synthetic gas usable for fuel; pesticides regulated under the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. Section 136 *et seq.*; asbestos and asbestos-containing materials, PCBs and other substances regulated under the Toxic Substances Control Act, 15 U.S.C. Section 2601 *et seq.*; source material, special nuclear material, by-product material and any other radioactive materials or radioactive wastes, however produced, regulated under the Atomic Energy Act or the Nuclear Waste Policy Act of 1982; chemicals subject to the OSHA Hazard Communication Standard, 29 C.F.R. Section 1910.1200 *et seq.*; industrial process and pollution control wastes, whether or not hazardous within the meaning of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 *et seq.*; any substance defined as a "hazardous substance" in California Civil Code Section 2929.5(e)(2) or California Code of Civil Procedure Section 736(f)(3); and any other substance or material regulated by any Environmental Laws.

b. The term "Environmental Laws" shall mean and include all federal, state and local statutes, ordinances, regulations and rules in effect on, or prior to, the date hereof relating to environmental quality, health, safety, contamination and clean-up, including, without limitation, the Clean Air Act, 42 U.S.C. Section 7401 *et seq.*; the Clean Water Act, 33 U.S.C. Section 1251 *et seq.*; and the Water Quality Act of 1987; the Federal Insecticide, Fungicide, and Rodenticide Act 7 U.S.C. Section 136 *et seq.*; the Marine Protection, Research, and Sanctuaries Act, 33 U.S.C. Section 1401 *et seq.*; the National Environmental Policy Act, 42 U.S.C. Section 4321 *et seq.*; the Noise Control Act, 42 U.S.C. Section 4901 *et seq.*; the Occupational Safety and Health Act, 29 U.S.C. Section 651 *et seq.*; the Resource Conservation and Recovery Act 42 U.S.C. Section 6901 *et seq.*; as amended by the Hazardous and Solid Waste Amendments of 1984; the Safe Drinking Water Act, 42 U.S.C. Section 300f *et seq.*; the Comprehensive Environmental

Response, Compensation and Liability Act 42 U.S.C. Section 9601 *et seq.* as amended by the Superfund Amendments and Reauthorization Act, the Emergency Planning and Community Right-to-Know Act and the Radon Gas and Indoor Air Quality Research Act; the Toxic Substances Control Act 15 U.S.C. Section 2601 *et seq.*; the Atomic Energy Act, 42 U.S.C. Section 2011 *et seq.*; and the Nuclear Waste Policy Act of 1982, 42 U.S.C. Section 10101 *et seq.*; and state and local environmental statutes and ordinances, with implementing regulations and rules in effect on or prior to the date hereof.

16. **Evidence in Court Proceeding.** The Parties agree that the Total Compensation, or any inference of per square foot value of the Subject Property Interests based on said Total Compensation, will not be admissible as evidence of the fair market value of the Subject Property Interests in any eminent domain or other proceeding or litigation concerning the Subject Property Interests or any portion of the Property.

17. **Destruction/Condemnation.** In the event that prior to the Close of Escrow, the Subject Property Interests or any portion of the Subject Property Interests are damaged by fire, earthquake, or other casualty, or are subject to a taking by a public entity, then City shall have the right, by giving notice to Seller within 15 calendar days after receiving written notice of such damage or taking, to either (a) terminate this Agreement, in which case neither Party shall have any further rights or obligations hereunder, except that (i) City shall be responsible for Escrow Holder's escrow cancellation fees and or charges relating to the Policy and (ii) the Total Compensation and escrow funds deposited into Escrow by City shall be refunded to City less any such escrow cancellation fees or charges relating to the Policy, or (b) accept the Subject Property Interests in its then condition and proceed with the Close of Escrow, and to receive an assignment of all of Seller's rights to any proceeds of insurance or condemnation awards payable by reason of such damage or taking. If City elects to proceed under the preceding clause (b), there shall be no adjustment in the Total Compensation and Seller shall not compromise, settle, or adjust any claims to such insurance or condemnation proceeds or awards. Seller agrees to give City prompt written notice of any damage to or taking of the Subject Property Interests promptly after Seller receives notice of same.

18. **Notices.** All notices and demands will be given in writing by certified or registered mail, postage prepaid, and return receipt requested, or by overnight carrier. Notices will be considered given upon the earlier of (a) two business days following deposit in the United States mail, postage prepaid, certified or registered, return receipt requested, or (b) one business day following deposit with an overnight carrier service. A copy of all notices will be sent to Escrow Holder. The parties will address such notices as provided below or as may be amended by written notice:

CITY:	City of Manhattan Beach 1601 Manhattan Beach Blvd, Manhattan Beach, California 90266 Attention: Mark Danaj, City Manager
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COPY TO: Richards, Watson & Gershon
Attention: Quinn M. Barrow, City Attorney
355 South Grand Avenue, 40th Floor
Los Angeles, California 90071-3101

SELLER: Columbia Management Group, Inc.
Attention: Mr. Mark A. Neumann
425 15th Street #3357
Manhattan Beach, California 90266

COPY TO: Allen Matkins Leck Gamble Mallory & Natsis LLP
Attention: K. Erik Friess
1900 Main Street, 5th Floor
Irvine, California 92614

ESCROW
HOLDER: First American Title Company
Escrow Department

19. **Further Documents.** Each Party will, wherever and as often as it shall be requested by the other Party, execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered, such further instruments and documents, including further escrow instructions, as may reasonably be necessary in order to complete the sale, conveyance, and transfer herein provided and to do any and all other acts and to execute, acknowledge, and deliver any and all documents as may reasonably be requested in order to carry out the intent and purpose of this Agreement.

20. **Broker's Commissions.** No brokers represented the Parties in connection with this transaction. Seller shall be solely responsible for the payment of any and all broker's commissions or similar compensation due to any broker representing Seller, if any, and Seller shall defend, indemnify and hold the City harmless from and against any and all claims for any broker's commissions or similar compensation that may be payable to any broker claiming it represented Seller in connection with this transaction. Each Party shall defend, indemnify, and hold the other Party harmless, from and against, any and all claims for any broker's commissions or similar compensation that may be payable to any other broker, finder or other person or entity (other than those described above) based upon such Party's own acts. The provisions of this Section 20 shall survive the Close of Escrow.

21. **Miscellaneous.**

a. *Amendments.* Any amendments to this Agreement will be effective only when duly executed by both City and Seller and deposited with Escrow Holder.

b. *Applicable Law.* This Agreement will be construed and interpreted under, and governed and enforced according to the laws of the State of California.

c. *Entire Agreement.* This Agreement supersedes any prior agreement, oral or written, and together with the exhibits hereto and any agreements delivered pursuant hereto, contains the entire agreement between City and Seller, on the subject matter of this Agreement. No subsequent agreement, representation or promise made by either Party hereto, or by or to any employee, officer, agent or representative of either Party, will be of any effect unless it is in writing and executed by the party to be bound thereby. No person is authorized to make, and by execution hereof Seller, and City acknowledge that no person has made, any representation, warranty, guaranty or promise except as set forth herein; and no such agreement, statement, representation or promise that is not contained herein will be valid or binding on Seller, or City.

d. *Successors and Assigns.* This Agreement will be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the Parties hereto.

e. *Time of Essence.* The Parties acknowledge that time is of the essence in this Agreement, notwithstanding anything to the contrary in the Escrow Holder's general Escrow instructions.

f. *Counterparts and Facsimile and Electronic Signatures.* This Agreement may be executed simultaneously in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. For purposes of this Agreement, facsimile and electronic signatures will be deemed to be original signatures.

g. *Remedies Not Exclusive and Waivers.* No remedy conferred by any of the specific provisions of this Agreement is intended to be exclusive of any other remedy and each and every remedy will be cumulative and will be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. The election of any one or more remedies will not constitute a waiver of the right to pursue other available remedies.

h. *Interpretation and Construction.* Each Party has reviewed this Agreement and each has had the opportunity to have its respective counsel and real estate advisors review and revise this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party will not apply in the interpretation of this Agreement or any amendments or exhibits thereto. In this Agreement the neuter gender includes the feminine and masculine, and singular number includes the plural, and the words "person" and "party" include corporation, partnership, firm, trust, or association wherever the context so requires. The recitals and captions of the Sections and subsections of this Agreement are for convenience and reference only, and the words contained therein will in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

i. *Attorneys' Fees.* If either Party hereto incurs attorneys' fees in order to enforce, defend or interpret any of the terms, provisions or conditions of this Agreement or because of a breach of this Agreement by the other party, the prevailing party, whether by suit, negotiation, arbitration or settlement will be entitled to recover reasonable attorneys' fees from the other party.

j. *Severability.* If any part, term or provision of this Agreement is held by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining provisions will not be affected, and the rights and obligations of the Parties will be construed and enforced as if this Agreement did not contain the particular part, term or provision held to be invalid.

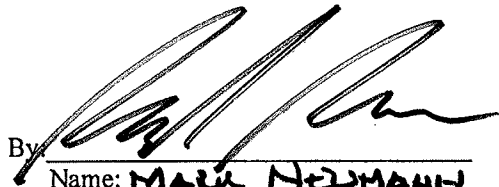
k. *Exhibits.* The exhibits and schedules attached hereto are incorporated in this Agreement by reference herein.

IN WITNESS WHEREOF, this Agreement is effective as of the day and year first written above.

SELLER

3500 Sepulveda LLC;

Dated: 11-4-16

By: 
Name: MARK NEUMANN
Title: MANAGING MEMBER

13th & Crest Associates, LLC;

Dated: 11-4-16

By: 
Name: MARK NEUMANN
Title: MANAGING MEMBER

6220 Spring Associates, LLC

Dated: 11/7/16

By: 
Name: RICHARD RITZKE
Title: MANAGER

CITY

CITY OF MANHATTAN BEACH, a
municipal corporation

Dated: _____

By: _____
Mark Danaj, City Manager

ATTEST:

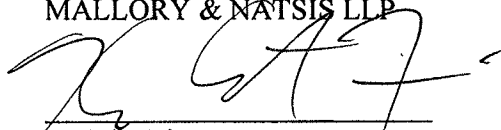
_____, City Clerk

Approved as to form:

RICHARDS, WATSON & GERSHON

Quinn M. Barrow, City Attorney
Approved as to form:

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP



K. Erik Friess

Exhibit A

Legal description

Permanent Highway Maintenance Easement (978 square feet)

EXHIBIT "A"
LEGAL DESCRIPTION

PARCEL A – (MAINTENANCE EASEMENT)

THAT PORTION OF PARCEL 12 OF PARCEL MAP NO. 12219, IN THE CITY OF MANHATTAN BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER MAP FILED IN BOOK 122, PAGES 33 THROUGH 35, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWESTERLY CORNER OF SAID PARCEL 12, SAID POINT BEING ON A CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 5,679.65 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 38°58'55" WEST;

THENCE NORTHEASTERLY ALONG THE NORTHERLY LINE OF SAID PARCEL 12 AND ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 00°08'37", AN ARC LENGTH OF 14.24 FEET TO THE **TRUE POINT OF BEGINNING**;

THENCE LEAVING SAID NORTHERLY LINE SOUTH 05°35'25" EAST, 27.89 FEET;

THENCE SOUTH 00°15'39" EAST, 120.51 FEET;

THENCE SOUTH 04°27'18" EAST, 24.57 FEET TO THE SOUTHERLY LINE OF SAID PARCEL 12;

THENCE ALONG SAID SOUTHERLY LINE SOUTH 89°52'41" EAST, 9.86 FEET;

THENCE LEAVING SAID SOUTHERLY LINE NORTH 00°05'02" EAST, 10.60 FEET;

THENCE NORTH 89°54'58" WEST, 6.48 FEET;

THENCE NORTH 00°04'27" EAST, 118.67 FEET;

THENCE NORTH 05°35'57" WEST, 47.05 FEET TO SAID NORTHERLY LINE AND SAID CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 5,679.65 FEET, A RADIAL LINE TO SAID POINT ON CURVE BEARS NORTH 38°47'06" WEST;

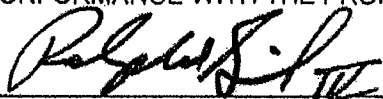
THENCE SOUTHWESTERLY ALONG SAID NORTHERLY LINE AND ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 00°03'12", AN ARC LENGTH OF 5.29 FEET TO THE TRUE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL CONTAINS 978 SQUARE FEET, MORE OR LESS.

THE BEARINGS AND DISTANCES USED IN THE ABOVE DESCRIPTION ARE CALIFORNIA COORDINATE SYSTEM (CCS83), ZONE V, NAD 83, ALL DISTANCES SHOWN ARE GROUND DISTANCES.

ALL AS MORE PARTICULARLY SHOWN ON EXHIBIT "B", ATTACHED HERETO AND MADE A PART HEREOF.

THIS DOCUMENT HAS BEEN PREPARED BY ME, OR UNDER MY DIRECTION, IN
CONFORMANCE WITH THE PROFESSIONAL LAND SURVEYOR'S ACT.



RALPH W. GUIDA, IV, P.L.S. 7076

7/29/15

DATE

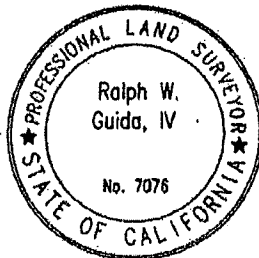


Exhibit B

Map

Permanent Highway Maintenance Easement (978 square feet)

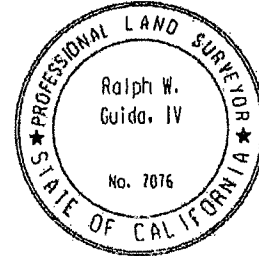
PLAT TO ACCOMPANY
LEGAL DESCRIPTION

PREPARED BY ME OR UNDER MY DIRECTION:

Ralph W. Guida, IV
RALPH W. GUIDA, IV P.L.S. 7076

7/29/15

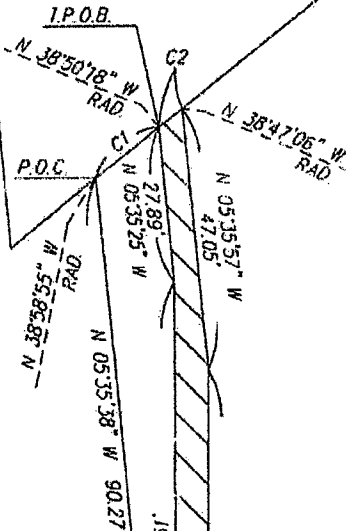
DATE



ROSECRANS AVENUE

A. T. & S. F. R.R. R/W
BK. 508, PG. 76, OF DEEDS

VARIES



LINE TABLE		
NO.	BEARING	LENGTH
L1	N 04°27'18" W	24.57'
L2	N 89°52'41" W	2.90'
L3	N 89°52'41" W	9.86'
L4	N 00°05'02" E	10.60'
L5	N 89°54'58" W	6.48'

CURVE TABLE			
NO.	DELTA	RADIUS	LENGTH
C1	00°08'37"	5679.65'	14.24'
C2	00°03'12"	5679.65'	5.29'

PARCEL A
978 SQ.FT.

PARCEL 12
PARCEL MAP NO. 12219
P.M.B. 122/33-35

SEPULVEDA BOULEVARD

N 00°07'19" E

VARIES

N 88°33'45" E
RAD.

MAINTENANCE EASEMENT

PARCEL 13
PARCEL MAP NO. 12219
P.M.B. 122/33-35

SHEET 1 OF 1

EXHIBIT "B"
3500 SEPULVEDA

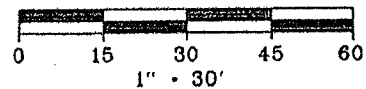


Exhibit C

Legal description

Temporary Construction Easement (1,744 square feet)

EXHIBIT "A"
LEGAL DESCRIPTION

PARCEL A – (TEMPORARY CONSTRUCTION EASEMENT)

THAT PORTION OF PARCEL 12 OF PARCEL MAP NO. 12219, IN THE CITY OF MANHATTAN BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER MAP FILED IN BOOK 122, PAGES 33 THROUGH 35, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWESTERLY CORNER OF SAID PARCEL 12, SAID POINT BEING ON A CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 5,679.65 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 38°58'55" WEST;

THENCE NORTHEASTERLY ALONG THE NORTHERLY LINE OF SAID PARCEL 12 AND ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 00°08'37", AN ARC LENGTH OF 14.24 FEET TO THE **TRUE POINT OF BEGINNING**;

THENCE LEAVING SAID NORTHERLY LINE SOUTH 05°35'25" EAST, 27.89 FEET;

THENCE SOUTH 00°15'39" EAST, 120.51 FEET;

THENCE SOUTH 04°27'18" EAST, 24.57 FEET TO THE SOUTHERLY LINE OF SAID PARCEL 12;

THENCE ALONG SAID SOUTHERLY LINE SOUTH 89°52'41" EAST, 9.86 FEET;

THENCE LEAVING SAID SOUTHERLY LINE NORTH 00°05'02" EAST, 10.60 FEET;

THENCE NORTH 89°54'58" WEST, 6.48 FEET;

THENCE NORTH 00°04'27" EAST, 118.63 FEET;

THENCE NORTH 51°07'04" EAST, 19.44 FEET;

THENCE NORTH 05°30'30" WEST, 47.06 FEET TO SAID NORTHERLY LINE AND SAID CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 5,679.65 FEET, A RADIAL LINE TO SAID POINT ON CURVE BEARS NORTH 38°35'18" WEST;

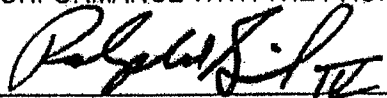
THENCE SOUTHWESTERLY ALONG SAID NORTHERLY LINE AND ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 00°15'00" AN ARC LENGTH OF 24.78 FEET TO THE **TRUE POINT OF BEGINNING**.

THE ABOVE DESCRIBED PARCEL CONTAINS 1,744 SQUARE FEET OR 0.040 ACRES, MORE OR LESS.

THE BEARINGS AND DISTANCES USED IN THE ABOVE DESCRIPTION ARE CALIFORNIA COORDINATE SYSTEM (CCS83), ZONE V, NAD 83, ALL DISTANCES SHOWN ARE GROUND DISTANCES.

ALL AS MORE PARTICULARLY SHOWN ON EXHIBIT "B", ATTACHED HERETO AND MADE A PART HEREOF.

THIS DOCUMENT HAS BEEN PREPARED BY ME, OR UNDER MY DIRECTION, IN CONFORMANCE WITH THE PROFESSIONAL LAND SURVEYOR'S ACT.



RALPH W. GUIDA, IV, P.L.S. 7076

7/29/15

DATE

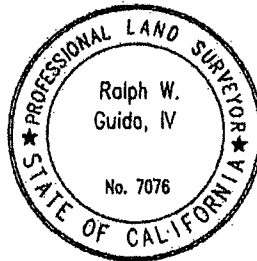


Exhibit D

Map

Temporary Construction Easement (1,744 square feet)

Exhibit E

Grant of Permanent Highway Maintenance Easement

NO FEE DOCUMENT
Government Code § 6103 & § 27838

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

City Clerk
City of Manhattan Beach
1400 Highland Avenue
Manhattan Beach, CA 90266

The Above Space For Recorder's Use Only

APN: 4138-020-014

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11922 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTIONS 6103 and 27383 OF THE CALIFORNIA GOVERNMENT CODE.

**HIGHWAY MAINTENANCE
EASEMENT**

District	County	Route	P.M	Number
7	Los Angeles	Sepulveda Blvd		

FOR VALUABLE CONSIDERATION, receipt and sufficiency of which is hereby acknowledged, 3500 SEPULVEDA LLC, a Delaware limited liability company, as to an undivided 45.056% interest, 13th & CREST ASSOCIATES, LLC, a California limited liability company, as to an undivided 26.609% interest, and 6220 SPRING ASSOCIATES, LLC, a California limited liability company, as to an undivided 28.335% interest, as tenants-in-common (collectively, the "Grantor"), hereby grants to the CITY OF MANHATTAN BEACH, a municipal corporation ("Grantee"), its successors and assigns, a permanent, nonexclusive highway maintenance easement ("EASEMENT") for the purpose of constructing, and maintaining a public highway, and appurtenances thereto, and includes the right of ingress/egress, over and across, all that certain portion of real property situated in the City of Manhattan Beach, County of Los Angeles, State of California, described as follows:

See Exhibit A, legal description, and Exhibit B, plat map to accompany legal description, attached hereto and made a part hereof.

During any and all use of the EASEMENT, Grantee will ensure access to the rear doors of the buildings on the above-described property at all times during the business's hours of operation.

IN WITNESS WHEREOF, said corporation has caused its corporate name to be hereunto subscribed this _____ day of _____, 20____.

3550 SEPULVEDA LLC, a Delaware limited liability company as to an undivided 45.056% interest

By: _____

By: _____

Printed: _____

Printed: _____

Title: _____

Title: _____

13TH & CREST ASSOCIATEES, LLC, a California limited liability company as to an undivided 26.609% interest

By: _____

By: _____

Printed: _____

Printed: _____

Title: _____

Title: _____

By: _____

By: _____

Printed: _____

Printed: _____

Title: _____

Title: _____

6220 SPRING ASSOCIATES, LLC, a California limited liability company as to an undivided 28.335% interest

By: _____

By: _____

Printed: _____

Printed: _____

Title: _____

Title: _____

ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____) SS

On _____ before me, _____, Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person (s) whose names (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 is true and correct.

Witness my hand and official seal.

(SEAL)

(Signature)

ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____) SS

On _____ before me, _____, Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person (s) whose names (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.

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Witness my hand and official seal.

(SEAL)

(Signature)

ACKNOWLEDGEMENT

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State of California

County of _____) SS

On _____ before me, _____, Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person (s) whose names (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.

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(Signature)

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County of _____) SS

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

Witness my hand and official seal.

(SEAL)

(Signature)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Highway Maintenance Easement dated _____, 201_, from **3500 SEPULVEDA LLC, a Delaware limited liability company, as to an undivided 45.056% interest, 13TH & CREST ASSOCIATEES, LLC, a California limited liability company, as to an undivided 26.609% interest, and 6220 SPRING ASSOCIATES, LLC, a California limited liability company, as to an undivided 28.335% interest, as tenants-in-common, to THE CITY OF MANHATTAN BEACH**, a municipal corporation, (the "City"), by the within instrument, the provisions of which are incorporated by this reference as though fully set forth in this Certification, is hereby accepted by the undersigned officer(s) pursuant to authority of Resolution No. _____ of the City Council of said City adopted at regular meeting of _____, 201_, and the Grantee consents to recordation thereof by its duly authorized officer.

Dated this ____ day of _____, 201_.

GRANTEE

CITY OF MANHATTAN BEACH

BY: _____
(Name and Title)

I hereby attest to the authenticity of the foregoing signature and to the adoption of the Resolution of general authority to so act and certify that the authority has not been revoked by any subsequent Resolution or order of the Manhattan Beach City Council.

Dated: _____

By: _____
Liza Tamura, City Clerk

EXHIBITS "A" AND "B"
LEGAL DESCRIPTION AND PLAT MAP
APN: 0438-020-014

[SEE THE FOLLOWING PAGES]

EXHIBIT "A"
LEGAL DESCRIPTION

PARCEL A – (MAINTENANCE EASEMENT)

THAT PORTION OF PARCEL 12 OF PARCEL MAP NO. 12219, IN THE CITY OF MANHATTAN BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER MAP FILED IN BOOK 122, PAGES 33 THROUGH 35, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

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THENCE NORTHEASTERLY ALONG THE NORTHERLY LINE OF SAID PARCEL 12 AND ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 00°08'37", AN ARC LENGTH OF 14.24 FEET TO THE **TRUE POINT OF BEGINNING**;

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THENCE SOUTH 00°15'39" EAST, 120.51 FEET;

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THENCE ALONG SAID SOUTHERLY LINE SOUTH 89°52'41" EAST, 9.86 FEET;

THENCE LEAVING SAID SOUTHERLY LINE NORTH 00°05'02" EAST, 10.60 FEET;

THENCE NORTH 89°54'58" WEST, 6.48 FEET;

THENCE NORTH 00°04'27" EAST, 118.67 FEET;

THENCE NORTH 05°35'57" WEST, 47.05 FEET TO SAID NORTHERLY LINE AND SAID CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 5,679.65 FEET, A RADIAL LINE TO SAID POINT ON CURVE BEARS NORTH 38°47'06" WEST;

THENCE SOUTHWESTERLY ALONG SAID NORTHERLY LINE AND ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 00°03'12", AN ARC LENGTH OF 5.29 FEET TO THE TRUE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL CONTAINS 978 SQUARE FEET, MORE OR LESS.

THE BEARINGS AND DISTANCES USED IN THE ABOVE DESCRIPTION ARE CALIFORNIA COORDINATE SYSTEM (CCS83), ZONE V, NAD 83, ALL DISTANCES SHOWN ARE GROUND DISTANCES.

ALL AS MORE PARTICULARLY SHOWN ON EXHIBIT "B", ATTACHED HERETO AND MADE A PART HEREOF.

THIS DOCUMENT HAS BEEN PREPARED BY ME, OR UNDER MY DIRECTION, IN
CONFORMANCE WITH THE PROFESSIONAL LAND SURVEYOR'S ACT.

Ralph W. Guida, IV

RALPH W. GUIDA, IV, P.E.S. 7076

7/29/15

DATE



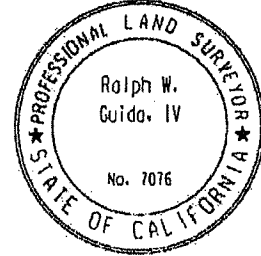
PLAT TO ACCOMPANY
LEGAL DESCRIPTION

PREPARED BY ME OR UNDER MY DIRECTION:

Ralph W. Guida, IV
RALPH W. GUIDA, IV P.L.S. 7076

7/29/15

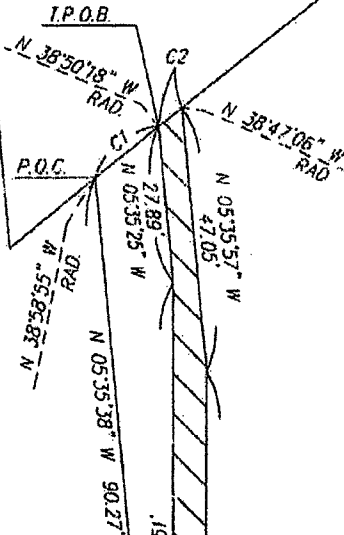
DATE



ROSECRANS AVENUE

A. T. & S. F. R.R. R/W
BK. 508, PG. 76, OF DEEDS

VARIES



LINE TABLE		
NO.	BEARING	LENGTH
L1	N 04°27'18" W	24.57'
L2	N 89°52'41" W	2.90'
L3	N 89°52'41" W	9.86'
L4	N 00°05'02" E	10.60'
L5	N 89°54'58" W	6.48'

CURVE TABLE			
NO.	DELTA	RADIUS	LENGTH
C1	00°08'37"	5679.65'	14.24'
C2	00°03'12"	5679.65'	5.29'

PARCEL A
978 SQ.FT.

PARCEL 12
PARCEL MAP NO. 12219
P.M.B. 122/33-35

VARIES

SEPULVEDA BOULEVARD

N 00°07'19" E

N 88°33'45" E
RAD.

MAINTENANCE EASEMENT

PARCEL 13
PARCEL MAP NO. 12219
P.M.B. 122/33-35

SHEET 1 OF 1

EXHIBIT "B"
3500 SEPULVEDA

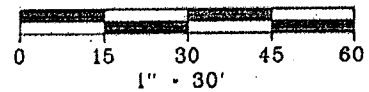


Exhibit F

Grant of Temporary Construction Easement

NO FEE DOCUMENT
Government Code § 6103 & § 27838

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

City Clerk
City of Manhattan Beach
1400 Highland Avenue
Manhattan Beach, CA 90266

The Above Space For Recorder's Use Only

APN: 4138-020-014

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11922 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTIONS 6103 and 27383 OF THE CALIFORNIA GOVERNMENT CODE.

TEMPORARY CONSTRUCTION EASEMENT

FOR VALUABLE CONSIDERATION, receipt and sufficiency of which is hereby acknowledged, **3500 SEPULVEDA LLC**, a Delaware limited liability company, as to an undivided **45.056%** interest; **13th & CREST ASSOCIATES, LLC**, a California limited liability company, as to an undivided **26.609%** interest; and **6220 SPRING ASSOCIATES, LLC**, a California limited liability company, as to an undivided **28.335%** interest, as tenants-in-common (collectively, the "Grantor"), hereby grants to **THE CITY OF MANHATTAN BEACH**, a municipal corporation ("Grantee") its successors and assigns, the right, on a temporary basis, to enter and utilize certain real property situated in the City of Manhattan Beach, County of Los Angeles, State of California, which is described on Exhibit "A" (legal description), and depicted on Exhibit "B" (plat to accompany legal description), attached hereto and made a part hereof (the "Property"), upon the terms set forth below.

1. Purpose. This TEMPORARY CONSTRUCTION EASEMENT ("TCE") is for the purpose of construction of the Sepulveda Bridge Widening Project ("Project"), a public project.

2. Term. Grantor agrees that the term of the TCE shall be for a period of 18 months; said period to commence upon written notice to Grantor and their designees. Grantee will make reasonable efforts to provide at least 15 days' notice before beginning use of the TCE and in no event will give less than 48 hours' notice.

3. Miscellaneous. It is mutually stipulated and agreed by and between Grantor and the City of Manhattan Beach hereto that any modifications thereto must be in writing and signed by the parties. The provisions of this TCE shall be binding upon, and inure to the benefit of, the successors and assigns of the parties hereto. In using the TCE, Grantee shall have a protected walkway put in place that will ensure access to the rear doors of the Property at all times during the tenant businesses' business hours.

IN WITNESS WHEREOF, said corporation has caused its corporate name to be hereunto subscribed this _____ day of _____, 20____.

3550 SEPULVEDA LLC, a Delaware limited liability company as to an undivided 45.056% interest

By: _____

By: _____

Printed: _____

Printed: _____

Title: _____

Title: _____

13TH & CREST ASSOCIATEES, LLC, a California limited liability company as to an undivided 26.609% interest

By: _____

By: _____

Printed: _____

Printed: _____

Title: _____

Title: _____

By: _____

By: _____

Printed: _____

Printed: _____

Title: _____

Title: _____

6220 SPRING ASSOCIATES, LLC, a California limited liability company as to an undivided 28.335% interest

By: _____

By: _____

Printed: _____

Printed: _____

Title: _____

Title: _____

ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____) SS

On _____ before me, _____, Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person (s) whose names (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 is true and correct.

Witness my hand and official seal.

(Signature) (SEAL)

ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____) SS

On _____ before me, _____, Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person (s) whose names (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.

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(Signature) (SEAL)

ACKNOWLEDGEMENT

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State of California

County of _____) SS

On _____ before me, _____, Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person (s) whose names (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.

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Witness my hand and official seal.

(Signature) (SEAL)

ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____) SS

On _____ before me, _____, Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person (s) whose names (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 is true and correct.

Witness my hand and official seal.

(Signature) (SEAL)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Temporary Construction Easement dated _____, 201__, from 3500 Sepulveda LLC, a Delaware limited liability company, as to an undivided 45.056% interest; 13th & Crest Associates, LLC, a California limited liability company, as to an undivided 26.609% interest; and 6220 Spring Associates, LLC, a California limited liability company, as to an undivided 28.335% interest to THE CITY OF MANHATTAN BEACH, a municipal corporation, (the "City"), by the within instrument, the provisions of which are incorporated by this reference as though fully set forth in this Certification, is hereby accepted by the undersigned officer(s) pursuant to authority of Resolution No. _____ of the City Council of said City adopted at regular meeting of _____, 201__, and the Grantee consents to recordation thereof by its duly authorized officer.

Dated this __ day of _____, 2016

GRANTEE:

CITY OF MANHATTAN BEACH

By: _____
(Name and Title)

I hereby attest to the authenticity of the foregoing signature and to the adoption of said Resolution of general authority to so act and certify that said authority has not been revoked by any subsequent Resolution or order of the Manhattan Beach City Council.

Dated: _____

By: _____
Liza Tamura, City Clerk

EXHIBITS "A" AND "B"
LEGAL DESCRIPTION AND PLAT MAP
APN: 0438-020-014

[SEE THE FOLLOWING PAGES]

EXHIBIT "A"
LEGAL DESCRIPTION

PARCEL A – (TEMPORARY CONSTRUCTION EASEMENT)

THAT PORTION OF PARCEL 12 OF PARCEL MAP NO. 12219, IN THE CITY OF MANHATTAN BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER MAP FILED IN BOOK 122, PAGES 33 THROUGH 35, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWESTERLY CORNER OF SAID PARCEL 12, SAID POINT BEING ON A CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 5,679.65 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 38°58'55" WEST;

THENCE NORTHEASTERLY ALONG THE NORTHERLY LINE OF SAID PARCEL 12 AND ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 00°08'37", AN ARC LENGTH OF 14.24 FEET TO THE **TRUE POINT OF BEGINNING**;

THENCE LEAVING SAID NORTHERLY LINE SOUTH 05°35'25" EAST, 27.89 FEET;

THENCE SOUTH 00°15'39" EAST, 120.51 FEET;

THENCE SOUTH 04°27'18" EAST, 24.57 FEET TO THE SOUTHERLY LINE OF SAID PARCEL 12;

THENCE ALONG SAID SOUTHERLY LINE SOUTH 89°52'41" EAST, 9.86 FEET;

THENCE LEAVING SAID SOUTHERLY LINE NORTH 00°05'02" EAST, 10.60 FEET;

THENCE NORTH 89°54'58" WEST, 6.48 FEET;

THENCE NORTH 00°04'27" EAST, 118.63 FEET;

THENCE NORTH 51°07'04" EAST, 19.44 FEET;

THENCE NORTH 05°30'30" WEST, 47.06 FEET TO SAID NORTHERLY LINE AND SAID CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 5,679.65 FEET, A RADIAL LINE TO SAID POINT ON CURVE BEARS NORTH 38°35'18" WEST;

THENCE SOUTHWESTERLY ALONG SAID NORTHERLY LINE AND ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 00°15'00" AN ARC LENGTH OF 24.78 FEET TO THE TRUE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL CONTAINS 1,744 SQUARE FEET OR 0.040 ACRES, MORE OR LESS.

THE BEARINGS AND DISTANCES USED IN THE ABOVE DESCRIPTION ARE CALIFORNIA COORDINATE SYSTEM (CCS83), ZONE V, NAD 83, ALL DISTANCES SHOWN ARE GROUND DISTANCES.

ALL AS MORE PARTICULARLY SHOWN ON EXHIBIT "B", ATTACHED HERETO AND MADE A PART HEREOF.

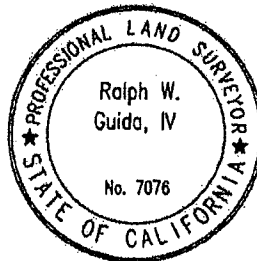
THIS DOCUMENT HAS BEEN PREPARED BY ME, OR UNDER MY DIRECTION, IN CONFORMANCE WITH THE PROFESSIONAL LAND SURVEYOR'S ACT.



RALPH W. GUIDA, IV, P.L.S. 7076

7/29/15

DATE



PLAT TO ACCOMPANY
LEGAL DESCRIPTION

PREPARED BY ME OR UNDER MY DIRECTION:

Ralph W. Guida, IV
RALPH W. GUIDA, IV P.L.S. 7076

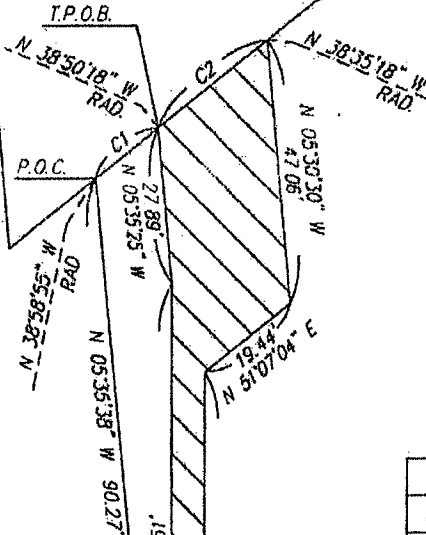
7/29/15
DATE



ROSECRANS AVENUE

A. T. & S. F. R.R. R/W
BK. 508, PG. 76, OF DEEDS

VARIES



LINE TABLE		
NO.	BEARING	LENGTH
L1	N 04°27'18" W	24.57'
L2	N 89°52'41" W	2.90'
L3	N 89°52'41" W	9.86'
L4	N 00°05'02" E	10.60'
L5	N 89°54'58" W	6.48'

CURVE TABLE			
NO.	DELTA	RADIUS	LENGTH
C1	00°08'37"	5679.65'	14.24'
C2	00°15'00"	5679.65'	24.78'

PARCEL A
1,744 SQ. FT.

PARCEL 12
PARCEL MAP NO. 12219
P.M.B. 122/33-35

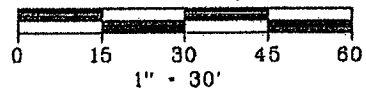
VARIES



SHEET 1 OF 1

PARCEL 13
PARCEL MAP NO. 12219
P.M.B. 122/33-35

EXHIBIT "B"
3500 SEPULVEDA



TEMPORARY CONSTRUCTION EASEMENT

SEPULVEDA BOULEVARD

N 00°07'19" E

Exhibit G

Right of Entry and Access Agreement – Due Diligence Activities

Exhibit "G"

RIGHT OF ENTRY AND ACCESS AGREEMENT – DUE DILIGENCE ACTIVITIES (Assessor's Parcel Number 4138-020-014)

THIS RIGHT OF ENTRY AND ACCESS AGREEMENT – DUE DILIGENCE ACTIVITIES (referred to below as "Due Diligence Right of Entry") is made and entered into as of _____, 2016 (the "Effective Date"), by and between collectively 3500 Sepulveda LLC, 13th & Crest Associates, LLC, and 6220 Spring Associates, LLC (referred to collectively as "Grantor") and the City of Manhattan Beach, a municipal corporation ("Grantee" or "City").

RECITALS

A. Grantor is the record fee owner of that certain real property commonly known as 3500 N. Sepulveda Boulevard, Manhattan Beach, California, and further identified as Los Angeles County Tax Assessor's Parcel Number 4138-020-014 ("Property").

B. The Property is improved with a commercial office building and adjacent parking lot.

C. Grantor and Grantee contemplate entering into a Purchase and Sale Agreement and Joint Escrow Instructions ("Agreement"), related to the Property. Pursuant to the Agreement, the City seeks to acquire the real property interests described below for a public purpose and use--the construction and maintenance of the Sepulveda Bridge Widening Project (Project). The Project is intended to provide a benefit to the residents of the City, and the general public, in that the Project will serve the public interest by decreasing traffic congestion on Sepulveda Boulevard. Specifically, the City seeks to acquire the following "Subject Property Interests":

- Permanent Maintenance Easement (978 square feet) described more particularly on Exhibit "A" to the Agreement and depicted on Exhibit "B", which are attached hereto and incorporated herein by this reference.
- Temporary Construction Easement (1,744 square feet) described more particularly on Exhibit "C" and depicted on Exhibit "D", which are attached hereto and incorporated herein by this reference.

The portions of the Property that do not include the Subject Property Interests are referred to below as the "Remainder Parcel."

D. Grantee has requested the right of entry upon and access to the Property for the purpose of undertaking tests, inspections and other due diligence activities (herein called the "Due Diligence Activities") in connection with the proposed acquisition by Grantee of the Subject Property Interests under the Agreement.

E. Grantor has agreed to grant to Grantee, and Grantee has agreed to accept from Grantor, a non-exclusive, revocable license to enter upon the Property to perform the Due Diligence Activities in accordance with the terms and provisions of this Due Diligence Right of Entry.

F. Grantor and Grantee desire to execute and enter into this Due Diligence Right of Entry for the purpose of setting forth their agreement with respect to the Due Diligence Activities and Grantee's entry upon the Property.

NOW, THEREFORE, for and in consideration of the above Recitals, the consideration set forth in the Agreement, the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Grantee do hereby covenant and agree as follows:

1. Incorporation of Recitals. The above Recitals are incorporated herein by this reference.

2. Access by Grantee.

a. Subject to Grantee's compliance with the terms and provisions of this Due Diligence Right of Entry, until the earlier to occur of (i) 30 calendar days after the Effective Date of this Due Diligence Right of Entry, or (ii) the earlier termination of this Due Diligence Right of Entry, Grantee and Grantee's agents, employees, contractors, representatives and other designees (referred to below collectively as "Grantee's Designees") shall have the right to enter upon the Property for the purpose of conducting the Due Diligence Activities.

b. Grantee will make reasonable effort to provide at least 15 days' notice and in no event will give less than 48 hours telephonic notice to Grantor before going on the Subject Property Interests.

c. Grantee expressly agrees as follows: (i) any activities by or on behalf of Grantee, including, without limitation, the entry by Grantee or Grantee's Designees onto the Property in connection with the Due Diligence Activities shall not damage the Property in any manner whatsoever or disturb or interfere with the rights or possession of Grantor, (ii) in the event the Property is altered or disturbed in any manner in connection with the Due Diligence Activities, Grantee shall immediately return the Property to a reasonably similar condition existing prior to the Due Diligence Activities, and (iii) Grantee, to the maximum extent allowed by law, shall indemnify, defend and hold Grantor harmless from and against any and all claims, liabilities, damages, losses, costs and expenses of any kind or nature whatsoever (including, without limitation, attorneys' fees and expenses and court costs) suffered, incurred or sustained by Grantor as a result of, by reason of, or in connection with the Due Diligence Activities or the entry by Grantee or Grantee's Designees onto the Property. Notwithstanding any provision of this Due Diligence Right of Entry to the contrary, Grantee shall not have the right to undertake any invasive activities or tests upon the Property, or any environmental testing on the Property beyond the scope of a standard "Phase I" investigation, without the prior written consent of Grantor of a workplan for any planned "Phase II" or invasive testing, which may be granted, denied or conditioned in the sole and absolute discretion of Grantor. If Grantor does not respond

to or reject any workplan within five business days of Grantee's delivery of the written workplan proposal to Grantor pursuant to the notice provisions of this Due Diligence Right of Entry, then Grantor shall be deemed to have approved the submitted workplan and Grantee may proceed with such testing. If Grantor rejects such proposed workplan in whole or in part, then this Due Diligence Right of Entry shall become null and void at the sole option of Grantee. If Grantee terminates this Due Diligence Right of Entry under the foregoing provision, then neither party shall have any further rights, duties and obligations.

3. Lien Waivers. Upon receipt of a written request from Grantor, Grantee will provide Grantor with lien waivers following completion of the Due Diligence Activities, in form and substance reasonably satisfactory to Grantor and its counsel (if any), from each and every contractor, subcontractor, supplier, engineer, architect and surveyor who might have lien rights against the Property for work performed or commenced in connection with Grantee's Due Diligence Activities. To the extent permitted by applicable law, Grantee hereby indemnifies Grantor from and against any claims or demands for payment, or any liens or lien claims made against Grantor or the Property as a result of Grantee's Due Diligence Activities.

4. Insurance. Prior to entry onto the Property, Grantee shall, and shall cause all of Grantee's Designees performing the Due Diligence Activities to, procure or maintain a policy of commercial general liability insurance issued by an insurer reasonably satisfactory to Grantor covering each of the Due Diligence Activities with a single limit of liability (per occurrence and aggregate) of not less than \$1,000,000.00, and to deliver to Grantor a certificate of insurance and copy of additional insured endorsement naming Grantor as a named additional insured, evidencing that such insurance is in force and effect, and evidencing that Grantor has been named as an additional insured there under with respect to the Due Diligence Activities. Such insurance shall be maintained in force throughout the term of this Due Diligence Right of Entry.

5. Successors. To the extent any rights or obligations under this Due Diligence Right of Entry remain in effect, this Due Diligence Right of Entry shall be binding upon and enforceable against, and shall inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors and permitted assigns.

6. Specific Rights and Privileges. Grantor does not hereby convey to Grantee any right, title or interest in or to the Property, but merely grant the specific rights and privileges hereinabove set forth.

7. Notice to Tenant. Grantor agrees to provide written notice to any future tenant or occupant of any portion of the Remainder Parcel of this Due Diligence Right of Entry. To the fullest extent permitted by law, Grantor will indemnify, defend and hold harmless Grantee, and its elected and appointed councilmembers, officials, officers, boards, commissions, consultants, agents, employees, and attorneys from and against any and all claims, demands, obligations, damages, actions, causes of action, suits, losses, judgments, fines, penalties, liabilities, costs, and expenses (including, without limitation, reasonable attorneys' fees, expert witness fees, disbursements and court costs) of every kind and nature whatsoever brought by any tenant or occupant of any portion of the Property that may arise out of, result from, or in any matter be related (directly or indirectly) to this Due Diligence Right of Entry.

8. Notices. All notices and demands will be given in writing by certified or registered mail, postage prepaid, and return receipt requested, or by overnight carrier. Notices will be considered given upon the earlier of (a) two business days following deposit in the United States mail, postage prepaid, certified or registered, return receipt requested, or (b) one business day following deposit with an overnight carrier service. The parties will address such notices as provided below or as may be amended by written notice:

GRANTEE: City of Manhattan Beach
1601 Manhattan Beach Boulevard
Manhattan Beach, California 90266
Attention: Mark Danaj, City Manager

COPY TO: Richards, Watson & Gershon
Attention: Quinn M. Barrow, City Attorney
355 South Grand Avenue, 40th Floor
Los Angeles, California 90071-3101

GRANTOR: 3500 SOROLUWA LLC ET AL
PO BOX Avenue 3357
MANHATTAN BEACH, California 90266-1357

9. Miscellaneous.

a. *Authority to Bind Parties and Execute Due Diligence Right of Entry.* Grantor and Grantee represent and warrant to one another that this Due Diligence Right of Entry constitutes a binding obligation on each of them and that the person executing this Due Diligence Right of Entry is authorized to execute the Due Diligence Right of Entry on behalf of the respective party and to bind it.

b. *Governing Law.* This Due Diligence Right of Entry is deemed to have been prepared by each of the parties hereto, and any uncertainty or ambiguity herein shall not be interpreted against the drafter, but rather, if such uncertainty or ambiguity exists, shall be interpreted according to the applicable rules of interpretation of contracts under the laws of the State of California, and not the substantive law of another state or the United States or federal common law. This Due Diligence Right of Entry shall be deemed to have been executed and delivered within the State of California, and the rights and obligations of the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of California.

c. *Amendment or Modification.* This Due Diligence Right of Entry may be modified or amended only by a writing executed by all parties to this Due Diligence Right of Entry.

d. *Partial Invalidity/Severability.* Each provision of this Due Diligence Right of Entry shall be valid and enforceable to the fullest extent permitted by law. If any provision of this Due Diligence Right of Entry or the application of such provision to any person or circumstance is, to any extent, deemed to be invalid or unenforceable, the remainder of

this Due Diligence Right of Entry, or the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected by such invalidity or unenforceability, unless such provision or such application of such provision is essential to this Due Diligence Right of Entry.

e. *Successors-in-Interest and Assigns.* This Due Diligence Right of Entry shall be binding upon and shall inure to the benefit of the successors-in-interest and assigns of the parties hereto, and each of them.

f. *Legal Representation.* The parties, and each of them, acknowledge that in connection with the negotiation and execution of this Due Diligence Right of Entry, they have each had the opportunity to be represented by independent counsel of their own choosing and the parties executed the Due Diligence Right of Entry after review by such independent counsel, or, if they were not so represented, said non-representation is and was the voluntary, intelligent and informed decision and election of any of the parties not so represented; and, prior to executing this Due Diligence Right of Entry, each of the parties has had an adequate opportunity to conduct an independent investigation of all the facts and circumstances with respect to the matters that are the subject of this Due Diligence Right of Entry.

g. *Interpretation and Construction.* Each party has reviewed this Due Diligence Right of Entry and each has had the opportunity to have its respective counsel and real estate advisors review and revise this Due Diligence Right of Entry. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party will not apply in the interpretation of this Due Diligence Right of Entry or any amendments or exhibits thereto. In this Due Diligence Right of Entry the neuter gender includes the feminine and masculine, and singular number includes the plural, and the words "person" and "party" include corporation, partnership, firm, trust, or association wherever the context so requires. The recitals and captions of the sections and subsections of this Due Diligence Right of Entry are for convenience and reference only, and the words contained therein will in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Due Diligence Right of Entry.

h. *Counterparts, Facsimile & Electronic Signatures.* This Due Diligence Right of Entry may be executed in whole or in counterparts which together shall constitute the entire Due Diligence Right of Entry. Facsimile or electronic signatures/counterparts to this Due Diligence Right of Entry shall be effective as if the original signed counterpart were delivered.

i. *Fees and Costs.* Each of the parties shall bear its own attorneys' fees and costs, including, but not limited to expert fees, incurred in connection with negotiating this Due Diligence Right of Entry. If either party hereto incurs attorneys' fees in order to enforce, defend or interpret any of the terms, provisions or conditions of this Due Diligence Right of Entry or because of a breach of this Due Diligence Right of Entry by the other party, the prevailing party, whether by suit, negotiation, arbitration or settlement will be entitled to recover reasonable attorneys' fees and costs from the other party.

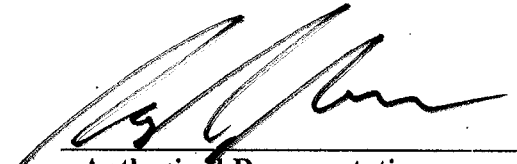
j. *Severability.* If any part, term or provision of this Due Diligence Right of Entry is held by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining provisions will not be affected, and the rights and obligations of the parties will be construed and enforced as if this Due Diligence Right of Entry did not contain the particular part, term or provision held to be invalid.

IN WITNESS WHEREOF, Grantor and Grantee have caused this Due Diligence Right of Entry to be executed and sealed, on the day and year first written above.

GRANTOR

3500 Sepulveda LLC;
13th & Crest Associates, LLC;
6220 Spring Associates, LLC

Dated: 11-4-16



Authorized Representative

GRANTEE

CITY OF MANHATTAN BEACH, a
municipal corporation

Dated: _____

By: _____
MARK DANAJ, City Manager

ATTEST:

, City Clerk

Approved as to form:

RICHARDS, WATSON & GERSHON

Quinn M. Barrow, City Attorney