

**CONTINGENT AGREEMENT TO PURCHASE AND SELL REAL ESTATE AND
ESCROW INSTRUCTIONS**

Escrow No. _____

Date of Opening
of Escrow: _____, 2017

To: First American Title Insurance Company
18500 Von Karman Avenue, Suite 600
Irvine, CA 92612
Attn: Patty Beverly
Telephone: (949) 885-2465
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THIS CONTINGENT AGREEMENT TO PURCHASE AND SELL REAL ESTATE AND ESCROW INSTRUCTIONS (this "Agreement") is made as of May __, 2017, by and between THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION, a public entity ("Seller" or "Successor Agency"), WASH-TEL COMMERCE, LLC, a California limited liability company (the "Wash-Tel Buyer"), and CRAIG REALTY GROUP CITADEL, a California limited liability company (the "CRC Buyer"). The Wash-Tel Buyer and the CRC Buyer are at times collectively referred to herein as the "Buyers." Seller and Buyers are at times collectively referred to herein as "the Parties."

RECITALS:

A. The "Land" which is the subject of this Agreement consists of approximately ten and 62/100 (10.62) acres located in the City of Commerce, County of Los Angeles, State of California, more particularly described on Exhibit "A" and depicted on Exhibit "A-1" attached hereto and by this reference incorporated herein. The term "Property" shall mean the Land, together with (i) all improvements now or hereafter constructed thereon ("Improvements"); (ii) all rights, privileges, easements, licenses and interests appurtenant thereto (collectively "Appurtenances"); and (iii) all intangible property ("Intangible Property") and tangible personal property ("Personal Property") owned or held by Seller in connection with the Land or located on the Land, including without limitation, development rights, governmental approvals and land entitlements. The Land and the Property includes the Citadel Use Land and the Citadel Use Property, and the Wash-Tel Use Land and the Wash-Tel Use Property, as such terms are defined below.

B. The "Citadel Use Land" consists of approximately three acres (3.00) acres of the Land, which is located in the City of Commerce, County of Los Angeles, State of California, more particularly described on Exhibit "B" and depicted on Exhibit "B-1" attached hereto and

by this reference incorporated herein. The term "Citadel Use Property" shall mean the Citadel Use Land, together with the Improvements, Appurtenances, Intangible Property and Personal Property in connection therewith (as such terms are defined above). The Parties will obtain a legal description for the Citadel Use Land after the Property is subdivided and before the Close of Escrow, as set forth below.

C. The "Wash-Tel Use Land" consists of approximately seven and 62/100 (7.62) acres of the Land, which is located in the City of Commerce, County of Los Angeles, State of California, more particularly described on Exhibit "C" and depicted on Exhibit "C-1" attached hereto and by this reference incorporated herein. The term "Wash-Tel Use Property" shall mean the Wash-Tel Use Land, together with the Improvements, Appurtenances, Intangible Property and Personal Property in connection therewith (as such terms are defined above). The Parties will obtain a legal description for the Wash-Tel Use Land after the Property is subdivided and before the Close of Escrow, as set forth below.

D. The Property was previously owned by the Commerce Community Development Commission ("Commerce Development Commission"), and by operation of law, is presently owned by the Successor Agency to the Commerce Development Commission. On May 19, 2014, the California Department of Finance approved the Successor Agency's Long Range Property Management Plan ("LRPMP") for the Property. Thus, the Successor Agency has the right and authority to transfer the Property consistent with the Long Range Property Management Plan.

E. Seller and Buyers shall cooperate, at Buyers' cost and expense, in causing the Property to be subdivided into not less than two parcels, in accordance with all applicable laws, such that the Citadel Use Property and the Wash-Tel Use Property will be separate parcels prior to the Close of Escrow, as defined herein. Seller and Buyers shall further cooperate, at Buyer's cost and expense, to create further separate parcels that are susceptible to ground lease or sale in connection with the Buyers' intended use. This Agreement does not obligate the City to subdivide the Property as set forth herein.

F. Seller wishes to sell the Property, which includes the Citadel Use Property and the Wash-Tel Use Property, to the respective buyer, and the Buyers wish to buy the respective portions of the Property from Seller pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, incorporating the foregoing recitals and in consideration thereof, in consideration of the mutual covenants and conditions contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

AGREEMENT

TERMS AND CONDITIONS

ARTICLE 1

PURCHASE AND SALE OF PROPERTY

Subject to all of the terms, conditions and provisions of this Agreement, and for the consideration herein set forth, Seller hereby agrees to sell the Property to the Buyers and the Buyers hereby agrees to purchase the Property from Seller.

ARTICLE 2

AGREEMENT CONTINGENT ON CEQA COMPLIANCE

The Property that is the subject of this Agreement will be the subject of a Development Agreement between the City of Commerce and the Buyers, as set forth in Section 5.3 below, that will allow for: the development of three restaurants (including one sit down restaurant) on the front, Southeastern portion of the Property; an approximately 50,000 square foot industrial building on the Northeast portion of the Property; and other uses agreed to by the Buyers and the City of Commerce (the "Project"). An Initial Study and other appropriate environmental review and analysis will be prepared pursuant to the requirements of the California Environmental Quality Act ("CEQA") to analyze the potential environmental impacts of the Project before it is considered by the City's Planning Commission and City Council. This Agreement sets forth the terms upon which Buyers will purchase the Property from Seller in the event the Project is ultimately approved, but is contingent upon the City approving the Project based upon information produced from the CEQA environmental review process and all other applicable public review and hearing processes. Nothing in this Agreement shall limit the City's authority to disapprove the Project, in whole or in part, or to consider any alternative to the Project, including an alternative site for the Project. Nor shall anything in this Agreement in any way limit the City's discretion to modify and/or impose mitigation measures on the Project. The City shall maintain sole and absolute discretion to deny, modify or condition the Project, and nothing in this Contingent Agreement shall be construed to alter or impose any limitations on the City's reserved police powers and legislative discretion.

In the event the City Council rejects the Project and does not approve it, then Buyers shall have the right to terminate this Agreement by written notice to Seller and the City. In the event the City Council approves and certifies the CEQA document that is required for the Project and approves the Project, the date the City Council approves the Development Agreement and all appeal periods relating thereto have expired with no appeal having been filed shall be considered the "Project Approval Date" for purposes of this Agreement.

ARTICLE 3

OPENING OF ESCROW; CLOSING DATE

3.1 Opening of Escrow. Within two (2) business days after the later of (i) execution of this Agreement by Buyers and Seller, or (ii) the CDOF Acceptance Date, the Parties shall open an escrow ("Escrow") with the Escrow Holder by causing an executed copy of this Agreement to be deposited with Escrow Holder. Escrow shall be deemed open on the date that a fully executed copy of this Agreement is delivered to Escrow Holder ("Opening of Escrow"). Escrow Holder shall provide each of the parties in Section 15.15 with written confirmation of the date of Opening of Escrow.

3.2 Closing Date. Escrow shall close on or before the date which is ninety (90) days following the later of (i) the Project Approval Date, (ii) the date that the Land is subdivided to accommodate separate legal parcels for the Citadel Use Land and the Wash-Tel Use Land; or (ii) the CDOF Acceptance Date ("Closing Date"), subject to any extension exercised by Buyers pursuant to Section 3.3. The terms the "Close of Escrow" and/or the "Closing" are used by Buyers herein to mean the time the Wash-Tel Grant Deed and the CRC Grant Deed are recorded in the Office of the County Recorder of Los Angeles County, California or such other date as Escrow Holder, Buyers and Seller agree is the Close of Escrow. If the Closing does not occur on or before the Closing Date, Seller shall have no further obligation to sell the Property to Buyers pursuant to this Agreement, except if such failure is by reason of Seller's default hereunder. The "CDOF Acceptance Date" shall mean the date that Buyers have received written notice from Seller that all approvals necessary for the sale of the Property, including those required from the Oversight Board of the Successor Agency of the Commerce Development Commission and from the California Department of Finance, have been obtained and that all appeal periods applicable thereto have expired without an appeal having been filed.

3.3 Extensions. Buyers may, in total, extend the Closing Date specified in Section 3.2 for two (2) additional periods of sixty (60) days each. As a condition to each such extension, Buyers shall give to Seller written notice of such extension not less than ten (10) days prior to the previously established outside Closing Date.

3.4 Possession. Subject to the right of Buyers to complete due diligence in accordance with this Agreement, possession of the Citadel Use Property and Wash-Tel Use Property shall be delivered to the CRC Buyer and the Wash-Tel Buyer, respectively, as of Close of Escrow "AS-IS." Seller shall not be required to terminate any existing leases. In the event any personal property remains on the Property following the Close of Escrow, it shall automatically become the property of the buyer on whose property the personal property resides.

ARTICLE 4

PAYMENT OF PURCHASE PRICE

4.1 Amount of Purchase Price. The total purchase price for the Property will be Ten Million and Twenty-Five Thousand Dollars (\$10,025,000.00) ("Purchase Price") assuming ten and 62/100 (10.62) acres as verified by the Survey (as defined in Section 6.2(a)). The purchase

price for the three (3.00) acres of the Property to be purchased by the CRC Buyer shall be Two Million, Eight Hundred Thirty-One Thousand Nine Hundred Twenty-One Dollars (\$2,831,921.00) (the "CRC Purchase Price"), assuming three (3) acres as verified by the Survey (as defined in Section 6.2(a)). The purchase price for the seven and 62/100 (7.62) acres of the Property to be purchased by the Wash-Tel Buyer shall be Seven Million One Hundred Ninety-Three Thousand Seventy-Nine Dollars (7,193,079.00) (the "Wash-Tel Purchase Price"), assuming 7 and 62/100 (7.62) acres as verified by the Survey (as defined in Section 6.2(a)). Any adjustments to the Purchase Price, the CRC Purchase Price and/or the Wash-Tel Purchase Price shall be made on the basis of \$943,973.63 per acre.

4.2 Payment of Purchase Price. The Purchase Price shall be paid as follows:

(a) Buyers have delivered to Seller, outside of Escrow, the sum of One Hundred Thousand Dollars ("Initial Deposit"). Within two (2) business days following the CDOF Acceptance Date, Buyers shall deposit in Escrow an additional Four Hundred Thousand Dollars (\$400,000.00) ("Additional Deposit"). The term "Deposit" as used in this Agreement shall be deemed to be the Initial Deposit, the Additional Deposit and all interest earned thereon from the date that funds are available to Escrow Holder from the Deposit for investment (after clearance of any check by which the Deposit is paid) until the earlier of (i) return of the Deposit from Seller or Escrow Holder to Buyers if and when required by the terms of this Agreement; (ii) retention by Seller of the Deposit as liquidated damages pursuant to Section 13.1 below; or (iii) Close of Escrow. Escrow Holder shall deposit the Additional Deposit in an interest-bearing account. Subject to Buyers' delivery to Escrow Holder of a Federal W-9 Form for reporting of interest earned on the Deposit, interest on the Deposit shall accrue to the benefit of Buyers until Close of Escrow or return of the Deposit to Buyers if and when required herein. In the event that any of the conditions specified in Section 8.1 below are not satisfied or otherwise waived by Buyers, the Deposit shall be promptly returned to Buyers.

On or before 1:00 p.m. on the business day preceding the Closing Date or such earlier time as required by Escrow Holder in order to close Escrow on the Closing Date, Buyers shall deposit the balance of the Purchase Price in good funds. "Good funds" shall mean 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. Buyers and Seller each agree to execute and deliver to Escrow Holder such documents as required by Escrow Holder for the reporting of interest credited to each party.

ARTICLE 5

ADDITIONAL BUSINESS TERMS

5.1 No Marketing of Property. So long as this Agreement is in effect, Seller agrees that it will not market the Property to any other party in any manner.

5.2 Seller's Cooperation. Seller agrees to cooperate with Buyers and to execute all documents reasonably required in connection with applying for any municipal permits, tentative or final tract or parcel maps, zoning, variances, conditional use permits or other governmental

authorizations, provided that such cooperation and execution of documents shall not be implied to include any expenditures of funds or any agreement to expend funds on the part of Seller (other than nominal administrative time and copy and delivery costs) and provided further that any obligation imposed on the Property or the owner thereof pursuant to such documents shall be expressly conditional on Buyers' acquisition of the Property.

5.3 Development Agreement. Buyers and the City of Commerce shall, while this Agreement is in effect and before the Close of Escrow, negotiate and exercise diligent efforts to cause to be completed, approved, executed and delivered, a Development Agreement respecting Buyers' development of the Property ("Development Agreement"). The Development Agreement shall include such provisions as are agreed to by Buyers and the City, including without limitation, provisions that Buyers shall exercise commercially reasonable diligent efforts to (i) complete development of three restaurants (including one sit down restaurant) on the front, Southeastern portion of the Property; an approximately 50,000 square foot industrial building on the Northeast portion of the Property; and any other use agreed to by Buyers and the City of Commerce (the "Project"); (ii) complete the Project a commercially reasonable period, taking into account requirements for preleasing, financing, entitlement and construction, such period to be addressed in further detail in the Development Agreement (iii) complete the approval of Buyers' development plans for the Project (including construction plans and specifications when applicable) by all requisite governmental authorities and expiration of all appeal periods thereto without an appeal having been filed; and (iv) design and install open space and landscaping areas to create a place of presence and regional and local attraction for the public.

ARTICLE 6

TITLE AND SURVEY MATTERS

6.1 Approval of Title.

(a) Within ten (10) business days following Opening of Escrow, Seller shall cause to be delivered to Buyers a preliminary title report issued through First American Title Insurance Company (the "Title Company"), describing the state of title of the Property, together with legible copies of all exceptions specified therein and a map plotting all easements specified therein (the "Title Report"). On or before the Due Diligence Date, Buyers shall notify Seller in writing ("Buyers' Title Notice") of Buyers' approval of all matters contained in the Title Report or of any objections Buyers may have to title exceptions or other matters ("Disapproved Title Matters") contained in the Title Report. If Buyers fail to deliver Buyers' Title Notice on or before the Due Diligence Date, Buyers shall be conclusively deemed to have disapproved the Title Report and all matters shown therein.

(b) In the event Buyers deliver Buyers' Title Notice on or before the Due Diligence Date, Seller shall have a period of ten (10) business days after receipt of Buyers' Title Notice in which to notify Buyers of Seller's election to either (i) agree to attempt to remove the Disapproved Title Matters prior to the Close of Escrow; or (ii) decline to remove any such Disapproved Title Matters ("Seller's Title Notice"). Seller shall only elect to decline to remove Disapproved Title Matters which Seller in good faith

believes Seller's reasonable efforts would not result in removal or as to which removal would result in cost or expense to Seller other than nominal administrative expense incurred in the process of removal. Seller's failure to deliver Seller's Title Notice within said ten (10) business day period shall be deemed Seller's election to decline to remove the Disapproved Title Matters. If Seller notifies Buyers of its election to decline to remove the Disapproved Title Matters, if Seller is deemed to have elected to decline to remove the Disapproved Title Matters or if Seller is unable to remove the Disapproved Title Matters, Buyers may elect either to terminate this Agreement and the Escrow or to accept title to the Property subject to the Disapproved Exception(s). Buyers shall exercise such election by delivery of written notice to Seller and Escrow Holder within ten (10) business days following the earlier of (i) the date of written advice from Seller that such Disapproved Exception(s) cannot be removed; or (ii) the date Seller declines or is deemed to have declined to remove such Disapproved Exception(s). If Buyers fail to deliver said written notice of termination of this Agreement and the Escrow within said period, Buyers' disapproval of the Disapproved Exception(s) shall be deemed waived and Buyers shall be deemed to have agreed to accept title to the Property subject to the Disapproved Exception(s). If Buyers elect to terminate this Agreement by reason of the Disapproved Exception(s), Buyers shall send Seller and Escrow Holder written notice of termination pursuant to Section 8.3 and Seller and Escrow Holder shall return the Deposit to Buyers within five (5) days following such termination. If either Buyer elects to terminate this Agreement as set forth herein, the entire Agreement shall be terminated.

(c) Upon the issuance of any amendment or supplement to the Title Report which adds additional exceptions, the foregoing right of review and approval shall also apply to said amendment or supplement, provided, however, that Buyers' initial period of review and approval or disapproval of any such additional exceptions shall be limited to ten (10) business days following receipt of written notice of such additional exceptions.

(d) Nothing to the contrary herein withstanding, Buyers shall be deemed to have automatically objected to all deeds of trust, mortgages, judgment liens, federal and state income tax liens, delinquent general and special real property taxes and assessments and similar monetary encumbrances affecting the Property, and Seller shall discharge any such non-permitted title matter of record prior to or concurrently with the Close of Escrow.

6.2 [Approval of Survey.](#)

(a) Buyers shall have the right to obtain, at Buyer's sole cost and expense, an ALTA survey of the Property prepared by a licensed surveyor reflecting (i) that the Property conforms to the legal description attached as Exhibit "A" hereto; (ii) the gross acreage of the Property; (iii) access to the Property from adjacent streets, alleys and sidewalks; and (iv) all utilities, easements and the boundaries of the Property and all encroachments ("Survey"). Buyers shall deliver to Seller a copy of the Survey and on or before the Due Diligence Date, shall notify Seller in writing ("Buyers' Survey Notice") of Buyers' approval of the Survey and of all matters that would arise therefrom or of any objections Buyers may have to the Survey and of any matters that would arise therefrom ("Disapproved Survey Matters"). If Buyers fail to deliver the Buyers' Survey Notice to

Seller on or before the Due Diligence Date, Buyers shall be conclusively deemed to have disapproved the Survey.

(b) In the event Buyers deliver Buyers' Survey Notice on or before the Due Diligence Date, Seller shall have a period of ten (10) business days after receipt of Buyers' Survey Notice in which to notify Buyers of Seller's election to either (i) agree to attempt to remove the Disapproved Survey Matters prior to the Close of Escrow; or (ii) decline to remove any such Disapproved Survey Matters ("Seller's Survey Notice"). Seller shall only elect to decline to remove Disapproved Survey Matters which Seller in good faith believes Seller's reasonable efforts would not result in removal or as to which removal would result in cost or expense to Seller other than nominal administrative expense incurred in the process of removal. Seller's failure to deliver Seller's Survey Notice within said ten (10) business day period shall be deemed Seller's election to decline to remove the Disapproved Survey Matters. If Seller notifies Buyers of its election to decline to remove the Disapproved Survey Matters, if Seller is deemed to have elected to decline to remove the Disapproved Survey Matters or if Seller is unable to remove the Disapproved Survey Matters, Buyers may elect either to terminate this Agreement and the Escrow or to accept title to the Property subject to the Disapproved Survey Matters. Buyers shall exercise such election by delivery of written notice to Seller and Escrow Holder within ten (10) business days following the earlier of (i) the date of written advice from Seller that such Disapproved Survey Matters cannot be removed; or (ii) the date Seller declines or is deemed to have declined to remove such Disapproved Survey Matters. If Buyers fail to deliver said written notice of termination of this Agreement and the Escrow within said ten (10) business day period, Buyers' disapproval of the Disapproved Survey Matters shall be deemed waived and Buyers shall be deemed to have agreed to accept title to the Property subject to the Disapproved Survey Matters. If Buyers elect to terminate this Agreement by reason of the Disapproved Survey Matters, Buyers shall send Seller and Escrow Holder written notice of termination pursuant to Section 8.3 and Seller and Escrow Holder shall return the Deposit to Buyers within five (5) days. If either Buyer elects to terminate this Agreement as set forth herein, the entire Agreement shall be terminated.

6.3 Buyers' Title Policies. Escrow Holder shall cause to be issued and delivered to Buyers as of the Close of Escrow (i) an ALTA extended coverage owner's policy of title insurance, issued by Title Company, with liability in the amount of the CRC Purchase Price, covering the Citadel Use Property; and showing title vested in the CRC Buyer free of encumbrances; and (ii) an ALTA extended coverage owner's policy of title insurance, issued by Title Company, with liability in the amount of the Wash-Tel Purchase Price, covering the Wash-Tel Use Property, showing title vested in the Wash-Tel Buyer free of encumbrances; in each case excepting:

(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 approved or deemed approved by Buyers pursuant to Section 6.1;

(c) Matters shown on the Survey approved or deemed approved by Buyers pursuant to Section 6.2;

(d) The standard printed exceptions and exclusions contained in the ALTA form policy; and

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

ARTICLE 7

DUE DILIGENCE

7.1 Due Diligence Date.

(a) The "Due Diligence Date" shall mean the date which is the later of (i) ninety (90) days following the Opening of Escrow; or (ii) eighty (80) days following the receipt of the Due Diligence Items to be delivered by Seller pursuant to Section 7.1(b).

(b) Within five (5) business days following Opening of Escrow, Seller shall deliver to Buyers all Due Diligence Items (as defined in Section 7.3(a)).

(c) On or before the Due Diligence Date, Buyers shall notify Seller in writing ("Buyers' Due Diligence Notice") of Buyers' approval or disapproval of each Due Diligence Item delivered to or available for review by Buyers pursuant to this Agreement, and of Buyers' approval or disapproval of the condition of the Property and Buyers' investigations with respect thereto. Buyers' failure to deliver Buyers' Due Diligence Notice on or before the Due Diligence Date shall be conclusively deemed Buyers' disapproval thereof. If Buyers disapprove Due Diligence, Buyers shall have the right to terminate this Agreement upon written notice to Seller on or before the Due Diligence Date (except as otherwise provided in Sections 6.1 and 6.2 with respect to title and survey appraisal), and Seller and Escrow Holder shall return the Deposit to Buyers within five (5) days thereafter.

7.2 Entry for Investigation.

(a) Buyers shall have the right to make an analysis of the Property consisting of such engineering, feasibility studies, soils tests and environmental studies as Buyers may desire to permit Buyers to determine the suitability of the Property for Buyers' contemplated uses and to conduct such other review and investigation which Buyers deem appropriate to satisfy itself to acquire the Property. Buyers may, at Buyers' sole cost and expense, make an examination of governmental regulations which affect the Property, including zoning and land use issues, conditions imposed by governmental agencies, and the ability of Buyers to use the Property for Buyers' intended purpose.

(b) Subject to the conditions hereafter stated, Seller grants to Buyers, their agents and employees a limited license to enter upon any portion of the Property for the

purpose of conducting engineering surveys, soil tests, investigations or other studies reasonably necessary to evaluate the condition of the Property, which studies, surveys, investigations and tests shall be done at Buyers' sole cost and expense. The limited license herein granted shall be subject to the rights of parties other than Seller in possession of the Property and shall be co-extensive with the term of this Agreement or any extension thereof.

(c) Buyers shall (i) notify Seller prior to each entry of the date and purpose of intended entry and provide to Seller the names and affiliations of the persons entering the Property; (ii) conduct all studies in a diligent, expeditious and safe manner and not allow any dangerous or hazardous conditions to occur on the Property during or after such investigation; (iii) comply with all applicable laws and governmental regulations; (iv) keep the Property free and clear of all materialmen's liens, lis pendens and other liens arising out of the entry and work performed under this paragraph; (v) maintain or assure maintenance of workers' compensation insurance (or state approved self-insurance) on all persons entering the property in the amounts required by the State of California; (vi) provide to Seller prior to initial entry a certificate of insurance evidencing that Buyers have procured and paid premiums for an all-risk public liability insurance policy written on a per occurrence and not claims-made basis in a combined single limit of not less than TWO MILLION DOLLARS (\$2,000,000.00) which insurance names Seller as additional insured entitled to not less than thirty (30) days cancellation notice and is primary, such that insurance carried by Seller is non-contributing; and (vii) return the Property to its original condition following Buyers' entry.

(d) Buyers shall promptly pay and discharge all demands for payment relating to Buyers' entry on and investigation of the Property and take all other steps to avoid the assertion of claims or lien against the Property. In the event a claim or lien is recorded by reason of Buyers' entry on the Property, Buyers, within twenty (20) days of such recordation, shall either (i) record or deliver a surety bond sufficient to release such claim or lien in accordance with applicable law; or (ii) provide Seller with such other assurance as Seller may reasonably require for the payment of the claim or lien. Seller may elect to record and post notices of non-responsibility from time to time on and about the Property.

(e) Buyers hereby agree to indemnify, and hold Seller free and harmless from and against any and all losses, damages (whether general, punitive or otherwise), liabilities, claims, causes of action (whether legal, equitable or administrative), judgments, court costs and legal or other expenses (including attorneys' fees) which Seller may suffer or incur as a consequence of Buyers' exercise of the license granted pursuant to this Section 7.2 or any act or omission by Buyers, any contractor, subcontractor or material supplier, engineer, architect or other person or entity acting by or under Buyers (except Seller and its agents) with respect to the Property, excepting to the extent such claims arise out of the negligence or misconduct of Seller. Buyers shall pay to Seller any indebtedness which Buyers are determined by the judgment of a court of competent jurisdiction (sustained on appeal, if any) to be liable under said indemnity obligation immediately upon such determination together with interest thereon from the date such indebtedness arises until paid at the maximum rate of interest allowed by law.

Buyers' duty to indemnify Seller pursuant to this Section 7.2(e) shall survive the termination of this Agreement and the Close of Escrow.

7.3 [Miscellaneous Documents and Investigations.](#)

(a) The term "Due Diligence Items" shall collectively refer to all documents relating to the Property which Seller has in its possession or control (or has reasonable access thereto and knowledge thereof), including without limitation (and to the extent such items exist) (i) copies of all contracts, agreements, service contracts, leases, rental agreements, licenses or occupancy agreements, and all amendments and modifications to same; (ii) surveys (including any ALTA surveys); (iii) property tax bills and property tax assessment notices for the previous three (3) years; (iv) engineering reports, soils studies, soils compaction reports, grading plans; (v) tentative parcel maps, specific and general plans, development agreements; (vi) licenses, governmental permits and approvals and any conditions thereto; (vii) environmental audits and reports, environmental remediation plans (and all correspondence and documents related thereto); (viii) environmental impact reports; (ix) reports, notices and/or correspondence regarding governmental agency review and approval respecting zoning and use compliance; (x) operating statements for the Property for the previous three (3) years; (xi) rent roll and list of security deposits and rent prepayments from tenants; (xii) outside appraisals, opinions of value and land sale comparables; (xiii) governmental permits and approvals and any conditions thereto, including occupancy and use permits; (xiv) inspections, reports, notices and/or correspondence regarding structural, seismic, roof, HVAC, soil, paving, environmental and ADA compliance; (xv) insurance claims reports and copies of insurance policies; (xvi) permits, inspections, reports, notices and/or correspondence regarding governmental agency review and approval respecting fire, building, health, zoning and use compliance; (xvii) original architectural and current "as-built" building plans; (xviii) photographs; and (xix) such other due diligence materials as may be reasonably requested by Buyers. The foregoing recitation of documents shall not be construed to imply that Seller has in its possession any such documents. Seller shall not be required to obtain documents which are not presently in the possession of Seller or Seller's property manager, including without limitation, any documents on file with any governmental agency and Buyers shall be responsible for obtaining any of such documents, provided that Seller will cooperate with Buyers' efforts in regard thereto. Seller agrees to make reasonable inquiry of its tenants and consultants to obtain on behalf of Buyers copies of or reasonable access for review to documents which may be in the possession of its tenants or consultants and to request release of any confidentiality requirements which may apply to items relating to its tenants or consultants, including tenant correspondence and financial information.

(b) If Buyers do not acquire the Property, all Due Diligence Items delivered by Seller to Buyers shall be returned to Seller within ten (10) days after Seller's written request is received by Buyers following termination of this Agreement.

7.4 [Estoppels, Subordination Agreements.](#) Prior to and following the Due Diligence Date, Seller shall cooperate with Buyers in requesting and diligently attempting to obtain such estoppel certificates and subordination, non-disturbance and attornment agreements from such

tenants of the Property as Buyers may request (to the extent that Seller has not effected termination of such interests), in form and content reasonably satisfactory to Buyers, and Buyers obtaining same shall be a condition to Buyers' obligation to Closing under this Agreement.

ARTICLE 8

CONDITIONS PRECEDENT TO CLOSE OF ESCROW

8.1 Conditions to Buyer's Obligations. The obligations of Buyers under this Agreement shall be subject to the satisfaction or written waiver, in whole or in part, by Buyers of each of the following conditions precedent:

(a) The Property is subdivided into two parcels, in accordance with all applicable laws, such that the Citadel Use Property and the Wash-Tel Use Property will be separate parcels prior to the Close of Escrow.

(b) Title Company has committed to issue the Title Policies as required by Section 6.3.

(c) Buyers have approved or deemed to have approved the condition to title of the Property pursuant to Section 6.1.

(d) Buyers have approved or deemed to have approved the Survey pursuant to Section 6.2.

(e) Buyers have approved or deemed to have approved all Due Diligence Items, the condition of the Property and the feasibility of Buyers' contemplated use on or before the Due Diligence Date.

(f) Escrow Holder holds and will deliver to Buyers the instruments and funds, if any, accruing to Buyers pursuant to this Agreement.

(g) All representations and warranties specified in Section 11.1 are true and correct.

(h) Buyers and the City of Commerce have entered into the Development Agreement (as defined in Section 5.3) on terms satisfactory to Buyers and the City, and such Development Agreement has been approved by all requisite governmental action, including without limitation, any environmental impact report required to be certified in connection therewith, and all appeal periods with respect thereto have expired with no appeal having been filed.

(i) Buyers' approval of any other conditions specified in this Agreement.

(j) Seller shall not be in material default of any term or condition of this Agreement.

If Buyers have not delivered written notice of approval of the above conditions to Seller and Escrow Holder by the times provided, or if no time is provided, on or before the Close of Escrow, each such condition shall automatically and conclusively be deemed to have been disapproved by Buyers, and Buyers shall have the right to terminate this Agreement in accordance with Section 8.3. If requested by Escrow Holder or Seller, Buyers shall deliver to Escrow Holder and Seller written notice of satisfaction or waiver of the conditions set forth in this Section 8.1.

8.2 Conditions to Seller's Obligations. The obligations of Seller under this Agreement shall be subject to the satisfaction or written waiver, in whole or in part, by Seller of each of the following conditions precedent:

(a) Escrow Holder holds and will deliver to Seller the instruments and funds accruing to Seller pursuant to this Agreement.

(b) Buyers and the City of Commerce have entered into the Development Agreement (as defined in Section 5.3) on terms satisfactory to Buyers and the City, and such Development Agreement has been approved by all requisite governmental action and all appeal periods with respect thereto have expired with no appeal having been filed.

(c) Buyers shall not be in material default of any term or condition of this Agreement.

If Seller has not delivered written notice of approval of the above conditions to Buyers on or before the Close of Escrow, each such condition not previously approved shall automatically and conclusively be deemed to have been disapproved by Seller and Seller shall have the right to terminate this Agreement in accordance with Section 8.3. If requested by Escrow Holder or Buyers, Seller shall deliver to Escrow Holder and Buyers' written notice of satisfaction of the conditions set forth in this Section 8.2.

8.3 Termination of Agreement. In the event any condition to the obligation of Buyers or Seller to purchase the Property has not been satisfied on or before the dates specified therein or, if no date has been specified, on or before the Closing, Buyers (if such condition is for the benefit of Buyers) or Seller (if such condition is for the benefit of Seller) shall have the right to terminate this Agreement and the Escrow by delivery of written notice to the other party and to Escrow Holder. In the event of a failure of condition described in Section 8.1(i) or Section 8.2(c), the party claiming failure of such condition shall give the other party ten (10) business days' notice and opportunity to cure before the party claiming failure of such condition can terminate on account thereof. In the event of termination by either party and within five (5) days thereafter, Seller shall return to Buyers the Initial Deposit theretofore paid outside of Escrow to Seller and Seller shall cause the Escrow Holder to return the Additional Deposit to Buyers. In the event of such termination, neither party shall thereafter have any obligations to or rights against the other under this Agreement, except such rights and obligations as the Parties may have pursuant to Section 7.2, this Section 8.3 and Section 10.8. Notwithstanding anything to the contrary in the foregoing, this Section 8.3 shall not apply in the event of breach of this Agreement by either party, in which event the provisions of Article 13 shall instead apply

8.4 Covenant of Seller and Buyers. Buyers and Seller agree to cooperate with one another, at no cost or expense to the cooperating party, in satisfying the conditions to Close of Escrow. Buyers shall be responsible for proceeding with diligence and in good faith to satisfy the conditions to Buyers' performance set forth in Section 8.1 and Seller shall be responsible for proceeding with diligence and in good faith to satisfy the conditions to Seller's performance set forth in Section 8.2.

ARTICLE 9

CLOSING FUNDS AND DOCUMENTS REQUIRED FROM BUYERS AND SELLER

9.1 Buyers. Buyers agree that on or before 1:00 p.m. on the business day preceding the Closing Date, Buyers 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) The Purchase Price (less the Deposit theretofore made);
- (b) At Buyers' option, a Preliminary Change of Ownership Statement completed in the manner required in Los Angeles County (or in lieu thereof Buyers may pay the charge for omission of such statement);
- (c) Two duplicate originals of a Bill of Sale and General Assignment for the Citadel Use Property in the form of Exhibit "B" attached hereto ("CRC General Assignment"); and
- (d) Two duplicate originals of a Bill of Sale and General Assignment regarding the Wash-Tel Use Property in the form of Exhibit "B" attached hereto ("Wash-Tel General Assignment"); and
- (e) Such funds and other items and instruments as may be necessary in order for Escrow Holder to comply with this Agreement.

9.2 Seller. Seller agrees that on or before 1:00 p.m. on the business day preceding 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) A grant deed (the "CRC Grant Deed") conveying (3.00) acre Citadel Use Property to the CRC Buyer and a grant deed (the "Wash-Tel Grant Deed") conveying the 7.62 acre Wash-Tel Use Property to the Wash-Tel Buyer, as set forth herein, both of which shall be in the form attached hereto as Exhibit "C" (collectively, "Grant Deeds"), and such evidence of authority as Escrow Holder and Title Company may require with respect to Seller's legal right to convey the Property or any portion thereof;
- (b) Two duplicate originals of each of the CRC General Assignment and the Wash-Tel General Assignment;

(c) An original Non-Foreign Affidavit on Escrow Holder's form ("Non-Foreign Affidavit") for each Buyer;

(d) An original California Form 590-RE Real Estate Withholding Exemption Certificates on Escrow Holder's form ("California Residency Affidavit") for each Buyer;

(e) Seller's Closing Certificate (as defined in Section 11.3) for each Buyer;
and

(f) Such funds and other items and instruments as may be necessary in order for Escrow Holder to comply with this Agreement.

9.3 Recordation, Completion and Distribution of Documents. Escrow Holder shall confirm that any documents signed in counterpart are the matching documents and shall combine the signature pages thereof so as to create fully executed documents. Escrow Holder will cause the Grant Deeds to be recorded when (but in no event after the date specified in Section 3.2 as extended pursuant to Section 3.3) it can issue the Title Policies in the form described in Section 6.3, and holds for the account of Buyers and Seller, respectively, the funds and items described above to be delivered to Buyers and Seller, respectively, through Escrow, less costs, expenses and disbursements chargeable to Seller pursuant to the terms hereof. Promptly following Close of Escrow, Escrow Holder shall date all undated documents as of Close of Escrow and shall distribute Escrow Holder's closing statement and the documents deposited in Escrow as follows:

(a) To Buyers:

(i) One certified conformed copy of the CRC Grant Deed and the Wash-Tel Grant Deed, the originals to be mailed to the respective Buyer following recordation thereof;

(ii) One certified conformed copy of the Non-Foreign Affidavits and the California Residency Affidavits;

(iii) One original each of the Title Policies, the CRC General Assignment and the Wash-Tel General Assignment; and

(iv) A separate closing statement for each Buyer and one certified copy, conformed if recorded, of any other document delivered to Escrow Holder by Buyers or Seller pursuant to the terms hereof.

(b) To Seller:

(i) One original each of the CRC General Assignment, the Wash-Tel General Assignment, the Non-Foreign Affidavits, and the California Residency Affidavits;

(ii) Seller's closing statements and one certified copy, conformed if recorded, of any other document delivered to Escrow Holder by Buyers or Seller pursuant to the terms hereof.

ARTICLE 10

ESCROW PROVISIONS

10.1 Escrow Instructions. This Agreement, when signed by Buyers and Seller, shall also constitute escrow instructions to Escrow Holder. If required by Escrow Holder, Buyers and Seller 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.

10.2 General Escrow Provisions. Escrow Holder shall deliver the Title Policies to the respective Buyers and instruct the Los Angeles County Recorder to mail the Grant Deeds to the respective Buyer at the addresses set forth in Section 14.15 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.

10.3 Affixation of Revenue Stamps. Escrow Holder is hereby specifically instructed to attach documentary transfer and/or revenue stamps to the Grant Deeds only after recordation of the Grant Deeds.

10.4 Prorations; Security Deposits; Utility and Governmental Deposits.

(a) All non-delinquent general and special real property taxes and assessments shall be prorated to the Close of Escrow on the basis of a thirty (30) day month and a three hundred sixty day (360) year. In the event that property taxes are assessed on a parcel of real property which includes land other than the Property, such proration shall include only taxes attributable to the Property, calculated in terms of total gross square feet of land assessed pursuant to the tax statement versus total gross square footage of the Property, and similarly methodology as contemplated by the foregoing shall be used to allocate taxes for each of the Citadel Use Property and the Wash-Tel Use Property. Any supplemental tax bills received after Close of Escrow shall be paid by Seller to the extent they relate to a period prior to Close of Escrow, and by Buyers, to the extent they relate to a period after Close of Escrow. If a supplemental tax bill covers a period commencing before and continuing after Close of Escrow, the party named in the bill will pay the tax and the other party shall reimburse the first party its pro rata share within thirty (30) days after receipt of a copy of the tax bill and evidence of the second party's payment of same.

(b) Rentals, utilities and other income or 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, and appropriately allocated to the Citadel Use Property or the Wash-Tel Use Property. In the event final amounts with respect to said prorations are not available as of Close of Escrow, the proration shall be done on an estimated basis and the Parties shall prepare a final proration within sixty (60) days following Close of Escrow. Any party who is obligated to pay net amounts based on said final proration shall reimburse the other party

said amount within thirty (30) days after completion of the final proration. Seller shall be responsible for payment of all leasing commissions, tenant improvement allowances, construction obligations of the landlord, lease termination consideration and free rent accommodations attributable to agreements entered into prior to Close of Escrow regardless of when such payment is due.

(c) Buyers and Seller shall cause all utilities which are in the name of Seller to be transferred to the name of the Buyer of the corresponding portion of the Property, as of the Close of Escrow or as soon thereafter as practicable. Buyers shall receive a credit against the Purchase Price for any security deposits held by Seller with respect to the tenants on the portion of the Property owned by the respective Buyer following the Close of Escrow. Seller shall receive a credit for any refundable utility or governmental deposits made by Seller with respect to the Property and shall assign Buyer all rights to refund of same that corresponds to that portion of the Property owned by the respective Buyer following the Close of Escrow.

(d) The provisions of this Section 10.4 shall survive Close of Escrow. If either party fails to pay its pro rata share of taxes or other expenses by the times herein provided, interest shall accrue on all unpaid amounts from when owing until paid at five percent (5%) over the Federal Discount Rate quoted by the Federal Reserve Bank of San Francisco on the 25th day of the month preceding the date interest commences to accrue.

10.5 Payment of Costs. Seller shall pay one-half (1/2) of the Escrow fee, all documentary transfer taxes, all title insurance premiums for that portion of the Title Policy premium which would be incurred for a CLTA form policy, and the charge for drawing the Grant Deeds. Buyers shall collectively pay one-half (1/2) of the Escrow fee, split among Buyers as Buyers may agree, all charges for recording the Grant Deeds, the title insurance premium for any title insurance coverage required by any lender and that portion of any Title Policy premium which is attributable to the additional cost of obtaining any additional coverage requested by Buyers, including the difference between CLTA and ALTA coverage. Seller and Buyers shall each be responsible for their respective attorneys' fees and costs. All other costs of Escrow not otherwise specifically allocated by this Agreement shall be apportioned between the Parties in a manner consistent with the custom and usage of Escrow Holder.

10.6 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; provided that any document which has been signed by a party who is not to receive the return of such document, shall be marked "void and of no force or effect" by Escrow Holder before it is delivered. Cancellation of Escrow, as provided herein, shall be without prejudice to whatever legal rights Buyers or Seller may have against each other arising from the Escrow or this Agreement.

10.7 Information Report. The "Reporting Person" within the meaning of Treasury Regulation Section 1.6045-4(e) (5) with respect to the transactions contemplated by this Agreement shall be Escrow Holder. The name and address of Escrow Holder is set forth on the first page of this Agreement. It is agreed that Escrow Holder is an eligible person under Section

1.6045-4(e) (5)(ii) of said Regulations. Escrow Holder hereby agrees to be responsible for complying with the reporting and other requirements of Internal Revenue Code Section 6045(e) and the income tax regulations promulgated thereunder. Pursuant to said regulations, the address for the transferor and transferee are as set forth for Seller and Buyers respectively in Section 14.15, and the identifying information regarding the real estate transferred is the legal descriptions for the portions of the Property set forth on Exhibit "B" and depicted on Exhibit "B-1" for the Citadel Use Property, and set forth in Exhibit "C" and depicted on Exhibit "C-1" for the Wash-Tel Use Property, all of which are attached hereto. Escrow Holder agrees to file the form required by said regulations between the end of the calendar year in which the Close of Escrow occurs and February 28 of the following calendar year. Buyers and Seller agree (i) to cooperate with Escrow Holder and with each other in completing any 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 transactions contemplated by this Agreement, including without limitation, Internal Revenue Service Form 1099-S as such may be hereafter modified or amended by the Internal Revenue Service, or as may be required pursuant to any regulation now or hereafter promulgated by the Treasury Department with respect thereto; (ii) that Buyers and Seller, their respective employees and attorneys, and Escrow Holder and its employees may disclose to the Internal Revenue Service, 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); (iii) that neither Buyers nor Seller shall seek to hold any such party liable for the disclosure to the Internal Revenue Service of any such information; and (iv) to retain this Agreement for at least four (4) years following the close of the calendar year in which the Close of Escrow occurs.

10.8 Brokerage Commissions. Buyers and Seller each agree to indemnify and hold the other harmless from and against all liabilities, costs, damages and expenses, including, without limitation, attorneys' fees, resulting from any claims or fees or commissions, based upon agreements by it, if any, to pay a broker's commission and/or finder's fee.

ARTICLE 11

REPRESENTATIONS AND WARRANTIES

11.1 Representations and Warranties. Seller hereby makes the following representations and warranties to Buyers, each of which (i) is material and relied upon by Buyers in making their determinations to enter into this Agreement; (ii) is true in all respects as of the date hereof and shall be true in all respects and deemed to have been restated on the date of Close of Escrow on the portions of the Property as contemplated herein; and (iii) shall survive the Close of Escrow of the purchase and sale of the portions of the Property as contemplated herein, as well as any future transfer of the respective portions of the Property to CRC Buyer and Wash-Tel Buyer, and or any transferee, successor or assignee of either Buyer:

- (a) Seller is a public entity duly organized and validly existing and in good standing under the laws of the State of California, and, subject to subsection (b) below, Seller has the full power and authority to enter into this Agreement.

(b) Seller has disclosed to Buyers and Buyers are aware that the State of California enacted ABx1 26 and AB 1484, which provided for the termination of redevelopment and requires that the successor agencies for all redevelopment agencies throughout the State of California, including Seller, dispose of redevelopment assets and property for the benefit of the taxing agencies as set forth in ABx1 26 and AB 1484. Seller has also disclosed to Buyers and Buyers are aware that: (1) the Property was owned by the Commerce Community Development Commission (the "Commission"), which acted as the City of Commerce's redevelopment agency; (2) Seller is the Successor Agency to the Commission under ABx1 26 and AB 1484; (3) as a matter of law, Seller became the owner of the Property after the passage of ABx1 26 and AB 1484; (4) Seller is required to dispose of the Property pursuant to the terms of ABx1 26 and AB 1484; (5) on May 19, 2014, the California Department of Finance approved the Successor Agency's Long Range Property Management Plan and the Successor Agency now has the right and authority to transfer the Property consistent with the Long Range Property Management Plan; (6) pursuant to ABx1 26 and AB 1484 Seller, as the Successor Agency, must obtain approval of this Agreement by the Oversight Board for the Successor Agency to the Commerce Community Development Commission. If the Oversight Board does not approve this Agreement, then the Property would not be sold to Buyers pursuant to the terms of this Agreement; and (7) pursuant to ABx1 26 and AB 1484, the actions of the Oversight Board must also be reviewed and approved by the California Department of Finance.

(c) Subject to subsection (b) above, Seller has the full power and authority to enter into, be bound by and comply with the terms of this Agreement and has obtained all necessary consents and approvals to enter into and consummate the transactions contemplated by this Agreement.

(d) Seller has received no notice or knowledge that any governmental authority or any employee or agent thereof considers any construction of the proposed improvements on the Property or the present operation, use or ownership of the Property to violate or have violated any ordinance, rule, law, regulation or order of any government or agency, body or subdivision thereof, or that any investigation has been commenced or is contemplated respecting such possible violations.

(e) The Citadel Use Property and Wash-Tel Use Property have adequate means of ingress and egress to and from public highways. Any streets, roads and off-site improvements necessary for access to or for utilization of the Citadel Use Property and Wash-Tel Use Property or any part thereof have been completed, dedicated and accepted for maintenance and public use by the appropriate governmental authorities or are otherwise owned and maintained by local governments for public use except for interior project streets which are privately maintained. Seller has no knowledge of any facts or conditions which will result in the termination of the present access to and from any portion of the Property to any utility services or to existing highways and roads or the termination or expiration of any conditional use permits, sign permits or similar governmental permits, and/or approvals necessary for the operation of the Property as it is currently operated.

(f) To the best of Seller's knowledge, there is no pending or threatened litigation, allegations, lawsuits or claims, whether for personal injury, property damage, landlord-tenant disputes, property taxes, contractual disputes, condemnation, eminent domain, zoning or administrative proceeding, estate tax protest or proceeding, 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 Seller's knowledge, threatened against Seller 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 Seller of any judgment, order, writ, injunction or decree issued against or imposed upon it. There is no action, suit, proceeding or investigation pending or threatened against Seller which would become a cloud on Buyers' title to and have a material adverse impact upon the Property or any portion thereof or which questions the validity or enforceability of the transactions 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.

(g) As used herein, "Hazardous Substances or Wastes" means any substance, material or waste defined or designated as hazardous or toxic waste, hazardous or toxic material, hazardous or toxic substance, or other similar term, including without limitation, petroleum products or byproducts, which is or becomes regulated by any federal, state or local governmental authority, statute, regulation or ordinance. To Seller's actual knowledge, and except as disclosed in the Due Diligence Items delivered by Seller to Buyer, (i) there exist no Hazardous Substances in excess of levels permitted by applicable law, on, under or around the Property, groundwater, or otherwise; (ii) Seller has received no written notice from any third parties, prior owners of the Property, or any federal, state or local governmental agency, indicating that any additional hazardous waste remedial or clean-up work will be required; (iii) there are not any onsite spills, releases, discharges or disposal of Hazardous Substances which have occurred or are presently occurring on any of the Property; (iv) no spills or disposal of Hazardous Substances have occurred or are presently occurring off the Property as a result of any activities on the Property; and (v) there exist no underground gasoline or other storage tanks on, under or about the Property. Nothing in the foregoing shall alter any obligations of Seller under applicable federal, state or local law.

(h) Except as otherwise set forth herein, Seller has the unimpeded power and authority to execute, deliver and perform Seller's obligations under this Agreement and the documents executed and delivered by Seller pursuant hereto. Neither the entering into of this Agreement nor the consummation of the transactions contemplated hereby will 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 Seller or the Property are bound. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not, as of Close of Escrow, 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 Seller relating to the Property. All consents, authorizations and

approvals necessary for the execution, delivery and performance by Seller under this Agreement have been obtained or will have been obtained as of Close of Escrow.

(i) 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 as of Close of Escrow will have been paid in full.

(j) No representations, warranties or covenants made by Seller or any statements furnished or to be furnished by Seller hereunder or in connection with the transaction herein provided for, contains or will contain any untrue statement of a material fact or omits or will omit a material fact thereby making the statements contained therein misleading. Seller has disclosed all information concerning the Property of which Seller is aware which may materially affect the Property or the value thereof.

All representations and warranties made hereunder are in addition to any representations and warranties implied by law and in no event shall this Section 11.1 be construed to limit, diminish or reduce any obligation of disclosure implied upon Seller by law.

11.2 [Disclaimer of Representations and Warranties](#). Buyers acknowledge that as of Close of Escrow they will have had an adequate opportunity to inspect the Property, including the Citadel Use Property and the Wash-Tel Use Property, and to investigate its physical characteristics and conditions. Buyers are purchasing the respective portions of the Property "AS IS," and in recognition of possible future subdivision. Buyers are acquiring the respective portions of the Property with improvements in place and are responsible for removal and all demolition of existing buildings, structures, underground structures, removal of any easements, leases, encumbrances, billboards, oil or utility lines or other improvements or site impediments preventing Buyers from developing the Property as Buyers intend. Upon the Close of Escrow, Buyers shall be deemed to have waived any and all objections to the physical characteristics and conditions of the Property which would be disclosed by a reasonable and diligent inspection. Buyers acknowledge that, except as specifically provided herein, neither Seller nor any of its employees, agents, or representatives has made any representations, warranties or agreements to or with Buyers on behalf of Seller as to any matters concerning the Property, the present use thereof, or the suitability of Buyers' intended use of the Property.

The foregoing disclaimer includes, without limitation, topography, climate, air, water rights, utilities, present and future zoning, soil, subsoil, the acreage of the Property or square footage of buildings located thereon, the purpose to which the Property is suited, drainage, and access to public roads. Buyers further acknowledge and agree that the Citadel Use Property and the Wash-Tel Use Property are to be purchased, conveyed, and accepted by Buyers, respectively, in its present condition, "AS-IS," and that no patent or latent physical condition of the Property, whether or not known or discovered, shall affect the rights of either party hereto. Buyers have investigated and have knowledge of operative or imposed governmental laws and regulations (including, but not limited to, zoning, environmental, including specifically the regulations of the Environmental Protection Agency, and land use laws and regulations) to which the Property may be subject, and will acquire portions of the Property, as contemplated herein, on the basis of their

individual review and determination of the application and effect of such laws and regulations. Except as set forth in this Agreement, Buyers have neither received nor relied upon any representations concerning such laws and regulations made by Seller, Seller's employees, agents, or any other person acting on behalf of Seller. Any agreements, warranties or representations not expressly contained in this Agreement shall in no way bind Seller.

11.3 Changed Circumstances. If Seller becomes aware of any fact or circumstance which would change or render incorrect, in whole or in part, any representation or warranty made by Seller under this Agreement, whether as of the date given or any time thereafter through the Close of Escrow and whether or not such representation or warranty was based upon Seller's knowledge and/or belief as of a certain date, Seller will give immediate written notice of such changed fact or circumstance to Buyers, but such notice shall not release Seller of its liabilities or obligations with respect thereto. Seller shall issue a certificate as of the Close of Escrow stating that all the representations and warranties contained in Section 11.1 are true and correct as of said date, or setting forth in detail which of such matters are not true and correct ("Seller's Closing Certificate"). Buyers shall have ten (10) days from the receipt of any written notice from Seller of the material change of any representation or warranty made by Seller hereunder to terminate this Agreement by providing written notice to Seller and Escrow Holder, and receive return of its Deposit and any other sums deposited in the Escrow.

11.4 Indemnity by Seller. Seller shall hold harmless, indemnify and defend Buyers and the Property from and against (i) except for obligations, liabilities, claims, liens and encumbrances which Buyers specifically agree by the terms of this Agreement to assume or take subject, any and all obligations, liabilities, claims, liens or encumbrances, whether direct, contingent or consequential and no matter how arising, in any way related to the Property and arising or accruing on or before the date first above written, or in any way related to or arising from any act, conduct, omission, contract or commitment of Seller at any time or times on or before the date of the Close of Escrow for the purchase and sale of the Citadel Use Property and the Wash-Tel Use Property, including without limitation, any damage to the Property or injury to or death of any person, employees or agents of Seller Prior to the Close of Escrow; (ii) claims arising due to Hazardous Substances or Wastes existing on or about the Property prior to Close of Escrow; (iii) any loss or damage to Buyers resulting from any material inaccuracy or material breach of any representation or warranty of Seller or resulting from any breach or default by Seller under this Agreement, or any other agreements relating to this transaction; and (iv) all costs and expenses, including attorney's fees and costs, relating to any actions, suits or judgments incident to any of the foregoing.

ARTICLE 12

DAMAGE, DESTRUCTION AND CONDEMNATION

12.1 Risk of Physical Loss. In the event of casualty damage, Buyers shall complete the acquisition of the Citadel Use Property and the Wash-Tel Use Property, in which case Seller shall assign to the respective Buyer the interest of Seller in all insurance proceeds relating to such damage (subject to the rights of tenants under leases of such Property). Seller shall consult with Buyers regarding any proposed settlement with the insurer and Buyers shall have the reasonable right of approval thereof, to the extent that it corresponds to the portion of the

Property purchased by the respective Buyer. Seller shall hold such proceeds until the Close of Escrow. In the event this Agreement is terminated for any reason, Buyers shall have no right to any insurance proceeds, and Seller and Escrow Holder shall return the Deposit to Buyers within five (5) days following such termination.

12.2 Condemnation. In the event that, prior to the Close of Escrow, any governmental entity shall commence any actions of eminent domain or similar type proceedings (all of which are herein called "condemnation") to take any portion of the Property, Seller shall deliver prompt written notice thereof to Buyers. In the event that more than ten percent (10%) of the land area of the Property or any portion of the Property that adversely affects its access or use is taken by condemnation, Buyers shall have the option to terminate this Agreement, provided written notice of such termination is delivered to Seller within twenty (20) days following the date that Buyers receive Seller's written notice of such taking. If Buyers fail to terminate this Agreement pursuant to the foregoing sentence within said twenty (20) day period, or if ten percent (10%) or less of the land area of the Property, and no portion of the Property that adversely affects its access or use, is taken by condemnation, Buyers shall complete the acquisition of the Citadel Use Property and the Wash-Tel Use Property, in which case CRC Buyer and/or Wash-Tel Buyer shall be entitled to that portion of the proceeds of such taking corresponding to the Citadel Use Property and the Wash-Tel Use Property. Seller shall consult with Buyers regarding any proposed settlement with the condemnor and Buyers shall have the reasonable right of approval thereof, if the land that the respective buyer seeks to purchase is the subject of the condemnation action. Seller shall hold such proceeds until the Close of Escrow. In the event this Agreement is terminated for any reason, Buyers shall have no right to any condemnation proceeds, and Seller and Escrow Holder shall return the Deposit to Buyers within five (5) days following such termination.

ARTICLE 13

DEFAULT

13.1 DEFAULT OF BUYERS; LIQUIDATED DAMAGES. IF EITHER BUYER SHOULD DEFAULT FOR ANY REASON WHATSOEVER UNDER THIS AGREEMENT AND FAIL TO ACQUIRE THEIR RESPECTIVE PORTION OF THE PROPERTY, AS SPECIFIED HEREIN, ON ACCOUNT OF SUCH DEFAULT ("CLOSING DEFAULT"), THEN AND IN SUCH EVENT, NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, BUYERS AND SELLER AGREE THAT SELLER WILL INCUR DAMAGES BY REASON OF SUCH DEFAULT BY EITHER OR BOTH BUYERS, WHICH DAMAGES SHALL BE IMPRACTICAL AND EXTREMELY DIFFICULT, IF NOT IMPOSSIBLE, TO ASCERTAIN. BUYERS AND SELLER, IN A REASONABLE EFFORT TO ASCERTAIN WHAT SELLER'S DAMAGES WOULD BE IN THE EVENT OF SUCH CLOSING DEFAULT BY EITHER BUYER HAVE AGREED BY PLACING THEIR INITIALS BELOW THAT THE SUM OF FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) SHALL BE DEEMED TO CONSTITUTE A REASONABLE ESTIMATE OF SELLER'S DAMAGES UNDER THE PROVISIONS OF SECTION 1671 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE IF BUYERS, OR EITHER OF THE BUYERS' DEFAULT. IN THE EVENT OF AND FOR SUCH CLOSING DEFAULT BY EITHER BUYER, SELLER

SHALL RETAIN THE INITIAL DEPOSIT PREVIOUSLY PAID BY THE BUYERS, AND ESCROW HOLDER SHALL RELEASE TO SELLER THE ADDITIONAL DEPOSIT, AND SUCH DEPOSIT SHALL CONSTITUTE LIQUIDATED DAMAGES AS SELLER'S SOLE REMEDY AGAINST ALL BUYERS CONCERNING EITHER BUYER'S CLOSING DEFAULT, UNLESS EITHER OR BOTH BUYERS WRONGFULLY REFUSE TO CAUSE ESCROW HOLDER TO CANCEL THE ESCROW, IN WHICH INSTANCE SELLER SHALL ALSO BE ENTITLED TO ALL COSTS AND EXPENSES, INCLUDING ACTUAL ATTORNEYS' FEES INCURRED BY SELLER WITH RESPECT TO THOSE CONSEQUENTIAL DAMAGES, IF ANY, WHICH MAY BE INCURRED BY SELLER, AFTER THE CLOSING DATE BY REASON OF THE CLOUD ON TITLE TO THE PROPERTY, OR ANY PORTION THEREOF, WHICH MAY RESULT FROM THE RESPONSIBLE EITHER BUYER'S WRONGFUL FAILURE TO CANCEL THE ESCROW AND THIS AGREEMENT. THE FOREGOING LIQUIDATED DAMAGES PROVISION SHALL NOT APPLY TO NOR LIMIT THE INDEMNITY PROVISIONS AND DAMAGES RECOVERABLE BY SELLER UNDER SECTIONS 7.2 AND 10.8 OF THIS AGREEMENT, OR ANY RIGHTS, REMEDIES OR DAMAGES SELLER MAY HAVE AGAINST BUYERS WHICH ACCRUE FOLLOWING CLOSE OF ESCROW. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE FOREGOING SHALL NOT IMPACT OR NEGATE ANY RIGHTS OR REMEDIES OF EITHER BUYER AGAINST THE OTHER.

SELLER'S INITIALS

CRC BUYER'S INITIALS WASH-TEL BUYER'S INITIALS

13.2 [Default by Seller](#). If Seller defaults in its obligation to sell the Property on or before the Closing Date or otherwise breaches its obligations under this Agreement, Buyers shall have all rights and remedies provided for such default under law and equity, including without limitation, bringing an action for specific performance of Seller's obligations or in lieu thereof, bringing an action for damages for breach of Seller's obligations.

ARTICLE 14

[MISCELLANEOUS](#)

14.1 [Assignment](#). Buyers shall not have the right to assign this Agreement or any interest or right hereunder or under the Escrow or to nominate another party to take title to the Citadel Use Property or the Wash-Tel Use Property, without the prior written consent of Seller, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, either Buyer shall have the right to assign this Agreement or any interest or right hereunder or under the Escrow or to nominate another party to take title to the Property, without the consent of Seller, so long as the assignee is managed by the respective Buyer and that Buyer provides written notice to Seller and documentary proof that the assignee is an existing company in good standing and authorized to do business in the State of California. Any such assignment shall be conditioned upon, and is only valid if, the assignee executes a written assumption and assignment agreement whereby it assumes all of the duties and obligations of the respective Buyer hereunder, occurring or accruing after said assignment becomes effective. Such assumption and assignment

agreement must be provided to Seller within thirty (30) days of said assignment for review by Seller in a regularly scheduled public meeting. Upon an assignment of this Agreement by either Buyer, that Buyer shall be released from all duties and obligations of the Buyer hereunder occurring or accruing after the effective date of such assignment.

14.2 Successors and Assigns. Subject to the limitations of Section 14.1, this Agreement shall be binding upon the Parties hereto and their respective heirs, representatives, transferees, successors and assigns. The obligations of Seller under this Agreement shall inure to the benefit of Buyers, any purchaser or lessee of either Buyer, its respective heirs, representatives, transferees, successors and assigns, and all such parties shall be deemed third party beneficiaries of Seller's obligations and covenants under this Agreement. The obligations of Buyers to Seller under this Agreement shall apply equally to their heirs, representatives, transferees, successors and assigns. The transfer of all or any part of the interest of any party hereunder in the Property shall not release Seller or Buyers of their obligations under this Agreement.

14.3 Time of Essence. Time is of the essence in this Agreement and with respect to each covenant and condition hereof. Buyers and Seller each specifically agree to strictly comply and perform their obligations herein in the time and manner specified and waive any and all rights to claim such compliance by mere substantial compliance with the terms of this Agreement.

14.4 Time Period Computations. All periods of time referred to in this Agreement shall include all Saturdays, Sundays and California state or national holidays unless the reference is to business days, in which event such weekends and holidays shall be excluded in the computation of time and provide that if the last date to perform any act or give any notice with respect to this Agreement shall fall on a Saturday, Sunday or California state or national holiday, such act or notice shall be deemed to have been timely performed or given on the next succeeding day which is not a Saturday, Sunday or California state or national holiday.

14.5 Qualification; Authority. Each individual executing this Agreement on behalf of a limited liability company, corporation, or joint venture represents and warrants that such entity is duly formed and authorized to do business in the State of California and that he or she is duly authorized to execute and deliver this Agreement on behalf of such limited liability company, corporation, or joint venture in accordance with authority granted under the formation documents of such entity, and, if a corporation, by a duly passed resolution of its Board of Directors or members, that all conditions to the exercise of such authority have been satisfied, and that this Agreement is binding upon such entity in accordance with their respective terms. Upon request of any party to this Agreement, Escrow Holder or Title Company, Buyers and Seller agree to deliver such documents reasonably necessary to evidence the foregoing.

14.6 Attorneys' Fees. In the event of any dispute between the Parties hereto arising out of the subject matter of this Agreement or the Escrow, or 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.

14.7 [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. In the event of a legal action under this Agreement, whether in civil court, arbitration, or otherwise, such action shall be venued in the County of Los Angeles. 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.

14.8 [No Waiver](#). No delay or omission by any party hereto in exercising any right or power accruing upon the compliance or failure of performance by another party hereto under the provisions of this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by any party hereto of a breach of any of the covenants, conditions or agreements hereof to be performed by another party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions hereof.

14.9 [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.

14.10 [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, provision, 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.

14.11 [Merger of Prior Agreements and Understandings](#). This Agreement, and other documents incorporated herein by explicit reference, constitutes the entire understanding between the Parties relating to the transactions contemplated hereby. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged herein and shall be of no further force or effect.

14.12 [Covenants to Survive Escrow](#). The covenants and agreements contained herein shall survive the Close of Escrow and, subject to the limitations on assignment contained in Section 14.1 above, shall be binding upon and inure to the benefit of the Parties hereto and their representatives, heirs, successors and assigns.

14.13 [Consent of Parties](#). Whenever by the terms of this Agreement the consent or approval of Seller or either Buyer 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 Seller shall be the Seller's Executive Director and such person for both Buyers shall be Steven L. Craig. Such designated persons may be changed by the party so designating at any time by the delivery of a written notice to the other parties.

14.14 [Execution in Counterpart](#). This Agreement and any modifications, amendments or supplements thereto 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.

14.15 Notices. Any notice which any party may desire to give to another party or to the Escrow Holder must be in writing and shall be effective (i) when personally delivered by the other party or messenger or courier thereof; (ii) three (3) business days after deposit in the United States mail, registered or certified; (iii) twenty-four (24) hours after deposit before the daily deadline time with a reputable overnight courier or service; or (iv) upon receipt of a telecopy or fax transmission, provided a hard copy of such transmission shall be thereafter delivered in one of the methods described in the foregoing (i) through (iii); in each case postage fully prepaid and addressed to the respective parties as set forth below or to such other address and to such other persons as the Parties may hereafter designate by written notice to the other parties hereto:

To Seller: The Successor Agency to the Commerce Community
Development Commission
2535 Commerce Way
Commerce, CA 90040
Attn: Matt Rodriguez, Interim Executive Director

Copy to: Eduardo Olivo, Esq.
City Attorney – City of Commerce
Olivo and Associates
13181 Crossroads Parkway N., Suite 220
City of Industry, CA 91746

To CRC Buyer: Craig Realty Group Citadel, LLC
4100 MacArthur Boulevard, Suite 100
Newport Beach, CA 92660
Attn: Steven L. Craig

To Wash-Tel Buyer: Wash-Tel Commerce, LLC
4100 MacArthur Boulevard, Suite 100
Newport Beach, CA 92660
Attn: Steven L. Craig

Copy to: Wash-Tel Commerce, LLC
4100 MacArthur Boulevard, Suite 200
Newport Beach, CA 92660
Attn: Lori Sarner Smith, Esq. & Rino LaRosa

14.16 Exhibits. Exhibits "A," "A-1," "B," "B-1," "C," "C-1," "D," and "E" attached hereto, are incorporated herein by this reference.

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

"Seller"

THE SUCCESSOR AGENCY TO THE
COMMERCE COMMUNITY DEVELOPMENT
COMMISSION

By: _____

Name: _____

Title: Chairperson

ATTEST:

By: _____

Name: Lena Shumway

Title: Secretary

APPROVED AS TO FORM:

By: _____

Name: Eduardo Olivo

Title: Legal Counsel

"Buyers"

WASH-TEL COMMERCE, LLC,
a California limited liability company

By: _____
Steven L. Craig, Manager

CRAIG REALTY GROUP CITADEL,
a California limited liability company

By: Citadel SPE, Inc.,
a Delaware corporation,
its Manager

By: _____
:
Steven L. Craig,
President

AGREED AND ACCEPTED AS OF
_____ 2017

FIRST AMERICAN TITLE INSURANCE COMPANY

By: _____

Name: _____

Its: _____

“Escrow Holder”

SCHEDULE OF EXHIBITS

EXHIBIT "A"	LEGAL DESCRIPTION OF THE PROPERTY
EXHIBIT "A-1"	DEPICTION OF THE PROPERTY
EXHIBIT "B"	LEGAL DESCRIPTION OF LAND
EXHIBIT "B-1"	DEPICTION OF THE CITADEL USE PROPERTY
EXHIBIT "C"	LEGAL DESCRIPTION OF LAND
EXHIBIT "C-1"	DEPICTION OF THE WASH-TEL USE PROPERTY
EXHIBIT "D"	GENERAL ASSIGNMENT
EXHIBIT "E"	FORM GRANT DEED

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

The Land is that certain real property located in the City of Commerce, County of Los Angeles, State of California, more particularly described as follows:

Legal description to be added after it is prepared and approved by Buyers and Seller

EXHIBIT "A"

TO PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS

EXHIBIT "A-1"

DEPICTION OF THE PROPERTY

SEE ATTACHED

Depiction to be added after it is prepared and approved by Buyers and Seller

EXHIBIT "A-1"

TO PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS

EXHIBIT "B"

LEGAL DESCRIPTION OF LAND

SEE ATTACHED

Legal description to be added after it is prepared and approved by Buyers and Seller

EXHIBIT "B"

TO PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS

EXHIBIT "B-1"

DEPICTION OF THE CITADEL USE PROPERTY

SEE ATTACHED

Depiction to be added after it is prepared and approved by Buyers and Seller

EXHIBIT "B-1"

TO PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS

EXHIBIT "C"

LEGAL DESCRIPTION OF LAND

SEE ATTACHED

Legal description to be added after it is prepared and approved by Buyers and Seller

EXHIBIT "C"

TO PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS

EXHIBIT "C-1"

DEPICTION OF THE WASH-TEL USE PROPERTY

SEE ATTACHED

Depiction to be added after it is prepared and approved by Buyers and Seller

EXHIBIT "C-1"

TO PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS

EXHIBIT “D”

GENERAL ASSIGNMENT

SEE ATTACHED

EXHIBIT “D”

TO PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS

BILL OF SALE AND GENERAL ASSIGNMENT

This Bill of Sale and General Assignment (this "Assignment"), is made, executed and delivered as of _____, by and among THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION, a public entity ("Assignor"); and CRAIG REALTY GROUP CITADEL, LLC, a California limited liability company (the "CRC Buyer") and WASH-TEL COMMERCE, LLC, a California limited liability company (the "Wash-Tel Buyer"). The Wash-Tel Buyer and the CRC Buyer are at times collectively referred to herein as "Assignee".

RECITALS

A. Assignor and Assignee have entered into that certain Purchase Agreement and Escrow Instructions dated as of May __, 2017 ("Purchase Agreement").

B. Pursuant to the Purchase Agreement, Assignor has agreed to convey to Assignee all of its right, title and interest in and to the Land (as defined in the Purchase Agreement, together referred to herein as the "Property"), including without limitation, certain property and property rights associated with the Property. The Property is more particularly described on Exhibit "A" attached hereto and incorporated herein by reference.

C. Concurrently with the delivery of this Assignment, Assignor has transferred, sold, and conveyed the Property to Assignee.

NOW THEREFORE, in consideration of the mutual promises set forth in the Purchase Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee acknowledge and agree as follows:

1. To the extent of Assignor's right, title and interest therein, Assignor hereby grants, bargains, sells, assigns, transfers, conveys and delivers to Assignee, all of Assignor's rights, if any and to the extent assignable, in and to the following (collectively, the "Assigned Property"):

(i) The tangible personal property located on the Property described on Schedule "1" attached hereto (collectively the "Personal Property");

(ii) all rights of Assignor in, to and under any and all intangible property held, used or intended to be used in connection with the Property;

(iii) all rights of Assignor in, to and under any and all leases, subleases, licenses, use or occupancy rights, agreements or permits, contract rights, rental agreements, service agreements, management agreements, leasing agreements, title policies, abstracts, guarantees, warranties and commitments relating to the Property;

(iv) warranties, guaranties and indemnities (including, without limitation, those for workmanship, materials and performance) which exist or may hereafter exist, from, by or against any contractor, subcontractor, manufacturer or supplier or laborer or other services relating to the Property or the improvements relating thereto;

(v) all licenses, easements and such other rights, including proof of dedication, as may be necessary or useful for vehicular and/or pedestrian ingress and egress and the maintenance of utilities, parking, common areas and other site improvements, and other governmental permits and permissions relating to the Property and the development and operation thereof; and

(vi) all applications for development approvals and/or granting of development orders, development agreements, and amendments or supplements thereto, and all resolutions, ordinances, rules, regulations, and all other agreements with any governmental or quasi-governmental agencies or instrumentalities, relating to or affecting the land use, zoning or development rights pertaining to the Property.

2. Assignee hereby agrees to indemnify Assignor for and to hold it harmless from any cost, expense or liability, including reasonable attorneys' fees, arising out of or incident to the performance or discharge by Assignee of any term, covenant, condition, obligation and/or liability to be performed or discharged by Assignor with respect to the Assigned Property from and after the date hereof. Assignor hereby agrees to indemnify Assignee for and to hold it harmless from any cost, expense or liability, including reasonable attorneys' fees, arising out of or incident to the performance or discharge by Assignor of any term, covenant, condition, obligation and/or liability to be performed or discharged by Assignor with respect to the Assigned Property prior to the date hereof.

3. Nothing in this Assignment shall be construed to modify or limit any provisions of the Purchase Agreement and in the event of any inconsistency between this Assignment and the Purchase Agreement, the Purchase Agreement shall control.

4. This Assignment shall be binding upon and shall inure to the benefit of Assignor and Assignee, and their respective heirs, assigns and successors-in-interest.

5. This Assignment 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.

6. In the event of any action between Assignor and Assignee seeking enforcement of any of the terms and conditions to this Assignment, the prevailing party in such action, whether by fixed judgment or settlement, shall be entitled to recover, in addition to damages, injunctive or other relief, its actual costs and expenses, including, but not limited to, actual attorneys' fees, court costs and expert witness fees. Such costs shall include attorneys' fees, costs and expenses incurred in (a) post-judgment motions, (b) contempt proceedings, (c) garnishment, levy and debtor and third-party examination, (d) discovery, and (e) bankruptcy litigation.

[Signatures Begin On Next Page]

IN WITNESS WHEREOF, Assignor and Assignee have caused this Assignment to be executed effective as of the date first set forth above.

THE SUCCESSOR AGENCY TO THE
COMMERCE COMMUNITY DEVELOPMENT
COMMISSION, a public entity

By: _____

Name: _____

Title: Chairperson

ATTEST:

Lena Shumway,
Secretary

APPROVED AS TO FORM:

By: _____

Eduardo Olivo,
Legal Counsel

“Assignor”

CRAIG REALTY GROUP CITADEL, LLC,
a California limited liability company

By: Citadel SPE, Inc.,
a Delaware corporation,
Manager

By: _____
Steven L. Craig
President

WASH-TEL COMMERCE, LLC,
a California limited liability company

By: _____
Steven L. Craig, Manager

“Assignee”

SCHEDULE 1

PERSONAL PROPERTY

The Personal Property consists of the following:

[TO BE INSERTED]

SCHEDULE 1

TO BILL OF SALE AND GENERAL ASSIGNMENT

EXHIBIT "A"

LEGAL DESCRIPTION OF REAL PROPERTY

The Land is that certain real property located in the City of Commerce, County of Los Angeles, State of California, more particularly described as follows:

EXHIBIT "A"

TO BILL OF SALE AND GENERAL ASSIGNMENT

EXHIBIT "E"

FORM GRANT DEED

SEE ATTACHED

EXHIBIT "E"

TO PURCHASE AGREEMENT AND
ESCROW INSTRUCTIONS

RECORDING REQUESTED BY:

THE SUCCESSOR AGENCY TO THE
COMMERCE COMMUNITY DEVELOPMENT
COMMISSION

2535 Commerce Way
Commerce, California 90040

Attention: _____

WHEN RECORDED RETURN TO AND
MAIL TAX STATEMENTS TO:

Craig Realty Group Citadel, LLC
4100 MacArthur Boulevard, Suite 200
Newport Beach, CA 92660
Attn: Lori Sarner Smith

(Space Above For Recorder's Use)

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION, a public body of the State of California (herein called "Grantor"), acting to carry out its powers under the Community Redevelopment Law of the State of California, hereby grants to CRAIG REALTY GROUP CITADEL, LLC, a California limited liability company/WASH-TEL COMMERCE, LLC, a California limited liability company (herein called "Grantee"), the real property described in the document attached hereto as Exhibit "A" (the "Property"), and incorporated herein by this reference.

1. Grantor excepts and reserves any existing street, proposed street, or portion of any street or proposed street lying outside the boundaries of the Property which might otherwise pass with a conveyance of the Property.

2. Said Property is conveyed in accordance with the Contingent Agreement to Purchase and Sell Real Estate and Escrow Instructions (the "Agreement") entered into by and between Grantor and Grantee on May __, 2017, which document is a public record on file in the offices of the City Clerk of the City of Commerce and the Secretary of Grantor. Capitalized terms not defined in this Grant Deed shall have the meanings ascribed to such terms in the Agreement

3. Grantee covenants and agrees for itself, its successors, its assigns, and all person claiming under or through them that there shall be no discrimination against or segregation of any person or group of person on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use occupancy, tenure, or enjoyment of the Property, nor shall Grantee itself or any person claiming under or through it, 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 Property. The foregoing covenants shall run with the land.

4. All deeds, leases or contracts made relative to the Property, improvements thereon, or any part thereof, shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(a) In deeds: "The grantee herein covenants by and for itself, its successors 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 sex, marital status, race, color, creed, religion, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee itself or any person claiming under or through it, 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 land herein conveyed. The foregoing covenants shall run with the land."

(b) In leases: "The lessee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, 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 sex, marital status, race, color, creed, religion, national origin or ancestry in the leasing, subleasing, renting, transferring, use, occupancy, tenure or enjoyment of the land herein leased, nor shall lessee itself, or any person claiming under or through it, establish or permit 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) In contracts pertaining to the real property: "There shall be not discrimination against or segregation of any person or group of persons on account of sex, marital status, race, color, religion, creed, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee itself or any person claiming under or through it, 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."

5. All conditions, covenants and restrictions contained in this Grant Deed shall be covenants running with the land, and shall, in any event, and without regard to technical classification or designation, legal or otherwise, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by Grantor, its successors and assigns, and the City of Commerce and its successors and assigns, against Grantee, its successors and assigns, to or of the Property conveyed herein or any portion thereof or any interest therein, and any party in possession or occupancy of said Property or portion thereof.

6. The covenants against discrimination set forth in paragraphs 4 and 5 of this Grant Deed shall remain in perpetuity.

7. In amplification and not in restriction of the provisions set forth hereinabove, it is intended and agreed that Grantor shall be deemed a beneficiary of the agreements and covenants provided hereinabove both for and in its own right and also for the purposes of protecting the interests of the community. All covenants without regard to technical classification or designation shall be binding for the benefit of the Grantor, and such covenants shall run in favor of the Grantor for the entire period during which such covenants shall be in force and effect, without regard to whether the Grantor is or remains an owner of any land or interest therein to which such covenants relate. Grantor shall have the right, in the event of any breach of any such agreement or covenant, to exercise all the rights and remedies, and to maintain any actions at law or suit in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant.

8. The covenants contained in this Grant Deed shall be construed as covenants running with the land and not as conditions which might result in forfeiture of title.

[Signatures Begin On Next Page]

IN WITNESS WHEREOF, the Grantor and Grantee have caused this instrument to be executed on their behalf by their respective officers hereunto duly authorized this ____ day of _____, _____.

Grantor:

THE SUCCESSOR AGENCY TO THE
COMMERCE COMMUNITY DEVELOPMENT
COMMISSION, a public entity

By: _____

Name: _____

Title: _____

ATTEST:

Lena Shumway,
Secretary

APPROVED AS TO FORM:

By: _____
Eduardo Olivo,
Legal Counsel

GRANTEE HEREBY ACCEPTS THE WRITTEN DEED, SUBJECT TO ALL OF THE
MATTERS HEREINABOVE SET FORTH.

Grantee:

CRAIG REALTY GROUP CITADEL, LLC,
a California limited liability company

By: Citadel SPE, Inc.,
a Delaware corporation,
Manager

By: _____
Steven L. Craig
President

WASH-TEL COMMERCE, LLC,
a California limited liability company

By: _____
Steven L. Craig, Manager

EXHIBIT "A"

LEGAL DESCRIPTION OF REAL PROPERTY

The Land is that certain real property located in the City of Commerce, County of Los Angeles, State of California, more particularly described as follows:

EXHIBIT "A"
TO GRANT DEED