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Attorneys for Applicant
Insurance Commissioner of the State of California

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

INSURANCE COMMISSIONER OF THE STATE OF CALIFORNIA, Applicant, v. GOLDEN STATE MUTUAL LIFE INSURANCE COMPANY, a California corporation, Respondent.	Case No. BS123005 Assigned to Hon. Ann I. Jones, Dept. 86 **[APPLICATION NO. 1 - MURALS]** **EVIDENCE [PART 2 OF 2] IN SUPPORT OF APPLICATION FOR ORDERS AUTHORIZING LIQUIDATOR TO SELL TWO MURALS TO SMITHSONIAN NATIONAL MUSEUM OF AFRICAN AMERICAN HISTORY AND CULTURE** [Filed concurrently with Notice, Memorandum and Proposed Order] Date: March 28, 2011 Time: 9:30 a.m. Dept: 86

Applicant Insurance Commissioner of the State of California, in his capacity as Liquidator ("Liquidator") of Golden State Mutual Life Insurance Company ("Golden State"), hereby submits the following Evidence in support of his Application For Orders Authorizing Liquidator To Sell Two Murals To Smithsonian National Museum Of African American History And Culture ("Smithsonian").

DECLARATIONS

1. Declaration of David E. Wilson
2. Declaration of Michael R. Weiss

EXHIBITS

Exhibit No.	**Description**
1.	Murals Sale Agreement
2.	Order Appointing Conservator
3.	Order Approving The Conservator's Rehabilitation Plan
4.	Notice of Closing Rehabilitation Plan
5.	Order of Liquidation
6.	Golden State's Balance Sheet
7.	Golden State Art Inventory
8.	Excerpts from Swann Galleries' Website
9.	July 28, 2010 Appraisal
10.	October 14, 2010 Appraisal
11.	Brochure regarding the Murals
12.	Article regarding the Murals
13.	Swann Galleries Sales Agreement
14.	Request for Proposals
15.	August 9, 2010 Letter from Conservator
16.	October 14, 2010 Letter from Conservator
17.	Smithsonian Proposal to Purchase Murals
18.	Mural Proposal for removal of Murals

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A Professional Corporation
633 West Fifth Street
Suite 3330
Los Angeles, CA 90071

19. Proposal For Treatment for removal of Murals
20. Photograph of Murals Installation in 1949
21. DVD of Film of Murals Installation in 1949 and screen shots
22. Purchase Agreement for Building dated March 31, 2005
23. Objection to Request for Proposal by Community Impact Development II
24. Grant Deed for 2009 Purchase of Building
25. Stipulation And Order Regarding Non-Removal Of Lobby Murals
26. Deposition Transcript of Essie Safaie
27. Deposition Transcript of Norman Harrower
28. Deposition Transcript of Mark Moniz
29. Agreement of Purchase and Sale dated April 11, 2008
30. Summary Appraisal Report
31. 1948 Alston Mural Agreement
32. 1948 Woodruff Mural Agreement
33. 1949 Photograph of Murals Installation
34. 1949 Documents re Shipping and Hanging of Murals

DATE: February 22, 2011

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FELIX LEATHERWOOD
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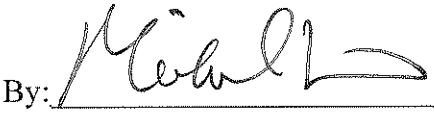
By: 
MICHAEL R. WEISS
Attorneys for Applicant
INSURANCE COMMISSIONER OF THE STATE OF CALIFORNIA

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633 West Fifth Street
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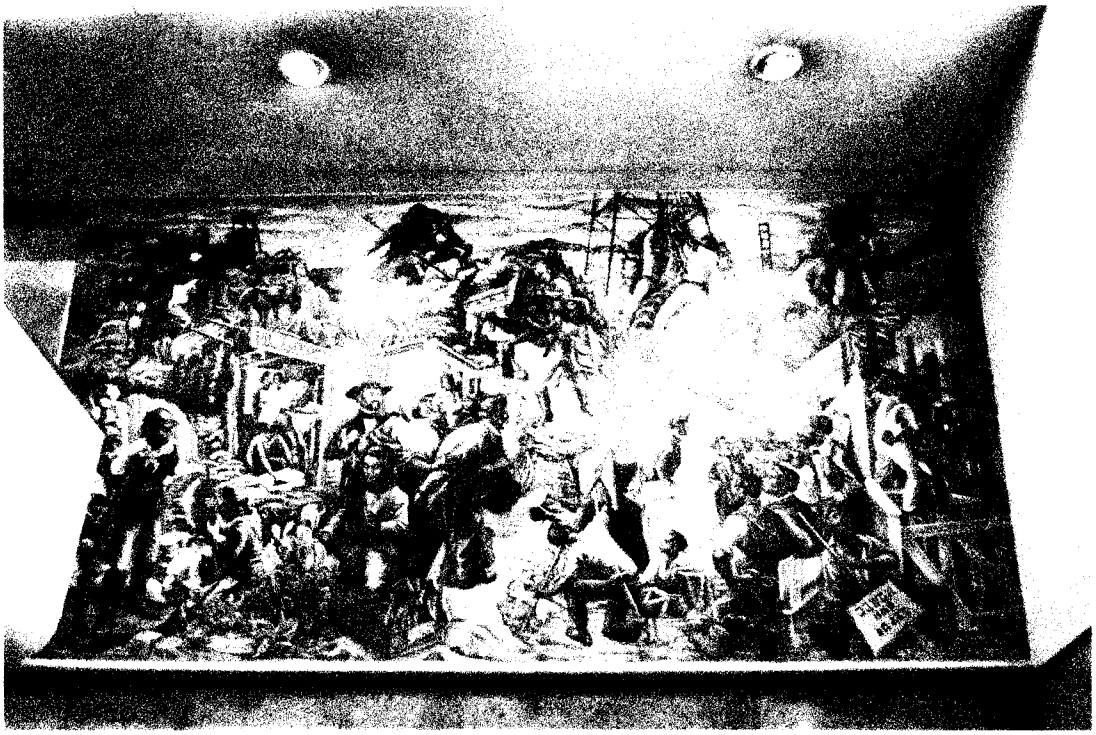
Los Angeles, CA 90071

EXHIBIT 18

BACKGROUND

At the request of Andreas E. Flinck (Golden State Mutual Life) Duane Chartier and Susanne Friend (ConservArt Associates, Inc.) met on November 6, 2008 at 10:30am to examine two murals in the foyer of the Golden State Mutual Building at 1999 West Adams Blvd., Los Angeles, CA 90018.

There are two oil paintings on canvas marouflaged (glued continuously) to the east and west walls, each 9'3" x 17'. They are flush to the ceiling and 11' off the floor. There is a 14' floor clearance with enough space to set up a 5' x 10' scaffolding.



The east wall mural is by Hale Woodruff, 1949. It is signed at bottom right. The condition is very good. A peel test was already done around the door jamb on the mezzanine level. On the right side of the door at the diagonal join line (original) a recent peel test has caused a small tear. These tests may have been done by GSM personnel and not by other conservators, although according to Mr. Flinck, other bids have been solicited. The adhesive was tested behind an already peeled area along the left side of the door jamb where the molding has been loosened. The adhesive is likely wheat starch paste or a commercial wall paper paste and it peels easily. Light percussion by running the hand along the wall indicates that there are many areas that are detached.

The west wall mural is by Charles Alston, 1949, signed bottom right. The condition is also very good. Surface percussion indicates some voids. The marouflage adhesive is likely the same as on the east wall. A fresh peel test along the left side of the door reveals relatively easy detachment from the wall. The canvas is not wrapped and is cut flush to the door edge.

The tentative plan is to move the two murals some time in February to a new building on Wilshire Blvd. It is not necessary to retain the monochromatic painted parts that go around the doors; but these should be preserved in storage. The paintings are to be reinstalled on specially built walls in the entrance of the new building.

Proposal

The following proposal was broken up into three sections:

- deinstallation (no options)
- reinstallation (no options)
- optional cleaning and varnishing

Golden State Mutual Life – Murals

Operation / Material	*Cost*
Deinstallation	
Scaffold rental & set-up	$600
Deinstallation	$6,919
Tubes and other materials	$200
Administration	$400
Scaffold take-down & cleanup	$400
Subtotal	**$8,519**
5% contingency	**$426**
Total (deinstallation)	***$8,945*** + [illegible] $10,518
Advance Payment	$4,500
Balance on completion (net 30 calendar days)	$4,445

Terms / Conditions

Parking for up to 3 vehicles
Access to water and electrical outlets
Loading & unloading scaffold via front doors
Storage of wrapped paintings on site
Estimate valid until December 15, 2008

Reinstallation (new building)	
Scaffold rental & set-up	$400
Verso cleaning	$1,573
Reinstallation	$7,863
Adhesive & masking	$300
Administration	$100
Scaffold take-down & cleanup	$300
Subtotal	**$10,535**
5% contingency	**$527**
Total (deinstallation)	***$11,062***
Advance Payment	$5,500
Balance on completion (net 30 calendar days)	$5,562

Terms / Conditions

Parking for up to 3 vehicles
Access to water and electrical outlets
Estimate valid until December 15, 2008

Optional Cleaning	$6,290
Optional Varnishing	$3,774

Terms / Conditions

This price only with installation scaffolding in place

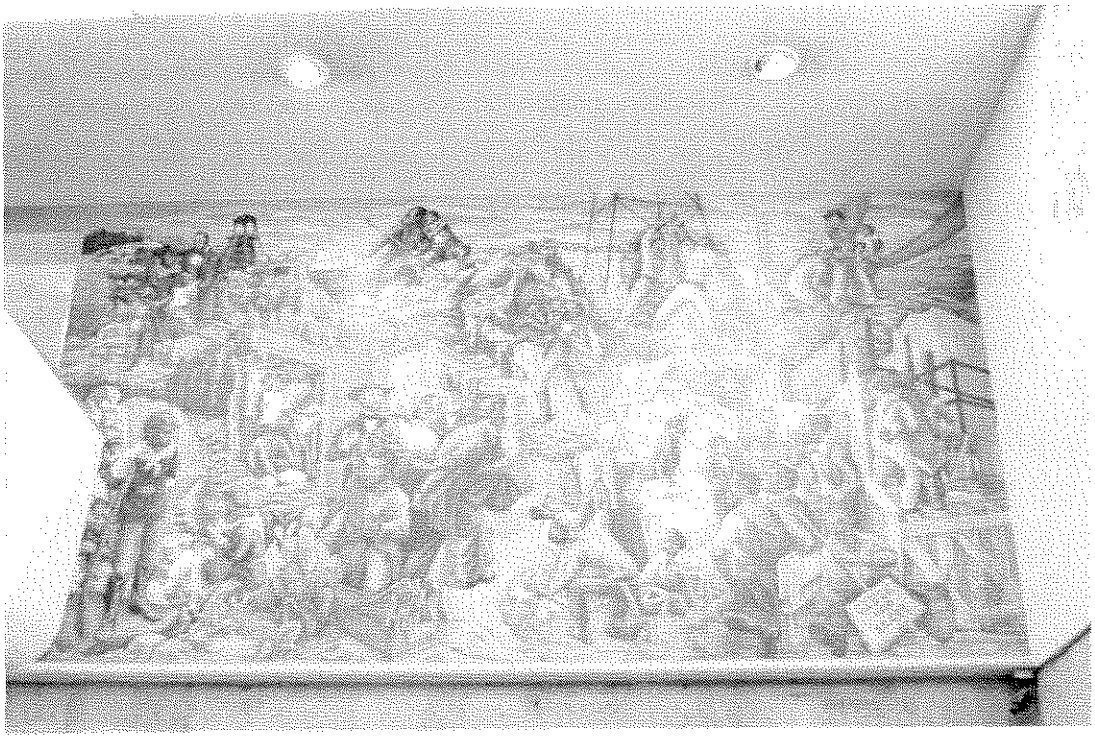
Prepared by: November 10, 2008

Dr. Duane R. Chartier
ConservArt Associates, Inc.

BACKGROUND

These murals were originally examined for deinstallation and reinstallation on November 6, 2008 at the request of Andreas E. Flinck (Golden State Mutual Life). Duane Chartier and Susanne Friend (ConservArt Associates, Inc.) examined two murals in the foyer of the Golden State Mutual Building at 1999 West Adams Blvd., Los Angeles, CA 90018.

There are two oil paintings on canvas marouflaged (glued continuously) to the east and west walls, each 9'3" x 17'. They are flush to the ceiling and 11' off the floor. There is a 14' floor clearance with enough space to set up a 5' x 10' scaffolding.



The east wall mural is by Hale Woodruff, 1949. It is signed at bottom right. The condition is very good. A peel test was already done around the door jamb on the mezzanine level. On the right side of the door at the diagonal join line (original) a recent peel test has caused a small tear. These tests may have been done by GSM personnel and not by other conservators, although according to Mr. Flinck, other bids have been solicited. The adhesive was tested behind an already peeled area along the left side of the door jamb where the molding has been loosened. The adhesive is likely wheat starch paste or a commercial wall paper paste and it peels easily. Light percussion by running the hand along the

wall indicates that there are many areas that are detached.

The west wall mural is by Charles Alston, 1949, signed bottom right. The condition is also very good. Surface percussion indicates some voids. The marouflage adhesive is likely the same as on the east wall. A fresh peel test along the left side of the door reveals relatively easy detachment from the wall. The canvas is not wrapped and is cut flush to the door edge.

The present plan is to remove the murals and store them until an appropriate reinstallation can be arranged.

We are generally very uncomfortable with deinstallation of *in situ* works without an explicit plan for reinstallation. We are also generally opposed to any plan that materially changes the artistically intended presentation. For example, we would strongly oppose the ethically questionable practice of changing from a solid support to a stretcher ... a convenience used by many conservators but not in keeping with artistic intent and a path to accelerated deterioration.

Proposal

The following proposal for ***deinstallation only*** is essentially the same as the original with minor corrections for inflation and the fact that only one phase of work is requested.

Golden State Mutual Life – Murals

Operation / Material	*Cost*
Deinstallation	
Scaffold rental & set-up	$650
Deinstallation	$8,177
Verso cleaning (prep. for reinstall)	$2,000
Tubes and other materials	$250
Administration	$450
Scaffold take-down & cleanup	$450
Subtotal	**$11,977**
5% contingency	**$599**
Total (deinstallation)	***$12,576***
Advance Payment	$6,000
Balance on completion (net 30 calendar days)	$6,576
Estimated completion time	2-3 days

Terms / Conditions

Parking for up to 3 vehicles
Access to water and electrical outlets
Loading & unloading scaffold via front doors
Storage of wrapped paintings on site
Estimate valid until November 30, 2010

Prepared by: October 28, 2010

Dr. Duane R. Chartier
ConservArt Associates, Inc.

EXHIBIT 19

$30,000 for two

Artwork Proposals

Aneta Zebala
Paintings Conservation

2237 22nd Street
Santa Monica, California 90405
310-396-2332

PROPOSAL FOR TREATMENT

28 October 2008

Charles Alston
Artist

9 ft 3 1/2 in x 17 ft 0 in (2 m 83.2 cm x 5 m 18.2 cm)
Dimensions

The Negro In California History - Exploration And Colonization
Title

Oil on fabric, marouflaged to wall
Medium

1949
Date/Period

N/A
Frame

Examination Summary

Two oil murals on canvas are mounted to the walls, at 11' above the ground level. The two panels need to be removed from the walls and remonuted in another location.

Proposal for Treatment:

Travel to site for the initial examination. Examine the panels.
Travel to site to prepare for the murals removal. Set up scaffolding tower.
Photograph to document condition before treatment and prepare condition report.
Vacuum the mural surfaces overall, and carry out the initial wet surface cleaning.
Secure pulleys at the ceiling above the mural wall, and suspend a sonotube to receive the canvas.
Remove the canvas from the wall by detaching it mechanially using scalpels, and large spatulas. The adhesive has not been identified but appears to be characteristic of hide glue.
Secure the canvas onto the temporary 10" sonotube and lower it to the ground, as safely possible.
Remove the canvas from thetemporary tube and secure the canvas onto a prepared 10' long tube. Wrap the tube and prepare for transportation.
Transport the canvas to the studio.
Remove residual adhesive from the verso of the canvas and flatten overall on the suction table.

Mend any tears and reattach the smaller sections of canvas to the main large painting.
Line the canvas to a secondary fabric support using a heavier polyester fabric and Beva film, using the suction table.
Measure for a secondary modular rigid panel or a modular stretcher / strainer bar.
Apply a thin protective varnish layer overall.
Fill and inpaint any losses or abrasions.

Transport the secondary support and the mural to its new location rolled up onto the tube. Mount the mural onto the secondary support and install it on the new free standing wall.
PLEASE NOTE: The cost of materials and the new stretcher / panel system would be in addition to the cost of treatment.

COST OF LINING MATERIALS: $500- $800
COST OF NEW STRETCHER / STRAINER (exact support to be determined) - $1,000 - $1,200

Authorization is hereby given to Aneta Zebala, Paintings Conservation (Zebala), to treat the above described work(s) of art as proposed.

The estimated cost of treatment is: $15000-18750.00

Terms: Balance due thirty (30) days from completion of treatment

It is understood and agreed between Aneta Zebala, Paintings Conservation (Zebala), and the undersigned (Owner) that, at the sole discretion of Aneta Zebala, Paintings Conservation, the treatment may be halted or modified should new problems arise. After consultation with the owner or authorized agent, a new estimate may be given if the problems are more difficult and the treatment more time-consuming than apparent at first.

It is understood that the conditions and stipulations of the Agreement and Release are part of this agreement.

Owner or Authorized Agent / Date (Owner)

Aneta Zebala Paintings Conservation (Zebala)

Aneta Zebala
Paintings Conservation

2237 22nd Street
Santa Monica, California 90405
310-396-2332

PROPOSAL FOR TREATMENT

29 October 2008

Hale Woodruff
Artist

9 ft 3 1/2 in x 17 ft 0 in (2 m 83.2 cm x 5 m 18.2 cm)
Dimensions

The Negro In California History - Settlement & Development
Title

Oil on fabric, marouflaged to wall
Medium

1949
Date/Period

N/A
Frame

Examination Summary

Two oil murals on canvas are mounted to the walls, at 11' above the ground level. The two panels need to be removed from the walls and remonuted in another location.

Proposal for Treatment:

Travel to site for the initial examination. Examine the panels.
Travel to site to prepare for the murals removal. Set up scaffolding tower.
Photograph to document condition before treatment and prepare condition report.
Vacuum the mural surfaces overall, and carry out the initial wet surface cleaning.
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Remove the canvas from the wall by detaching it mechanially using scalpels, and large spatulas. The adhesive has not been identified but appears to be characteristic of hide glue.
Secure the canvas onto the temporary 10" sonotube and lower it to the ground, as safely possible.
Remove the canvas from thetemporary tube and secure the canvas onto a prepared 10' long tube. Wrap the tube and prepare for transportation. Take down the scaffolding twer.
Transport the canvas to the studio.
Remove residual adhesive from the verso of the canvas and flatten overall on the suction table.

Mend any tears and reattach the smaller sections of canvas to the main large painting.
Line the canvas to a secondary fabric support using a heavier polyester fabric and Beva film, using the suction table.
Measure for a secondary modular rigid panel or a modular stretcher / strainer bar.
Apply a thin protective varnish layer overall.
Fill and inpaint any losses or abrasions.
Transport the secondary support and the mural to its new location rolled up onto the tube. Mount the mural onto the secondary support and install it on the new free standing wall.
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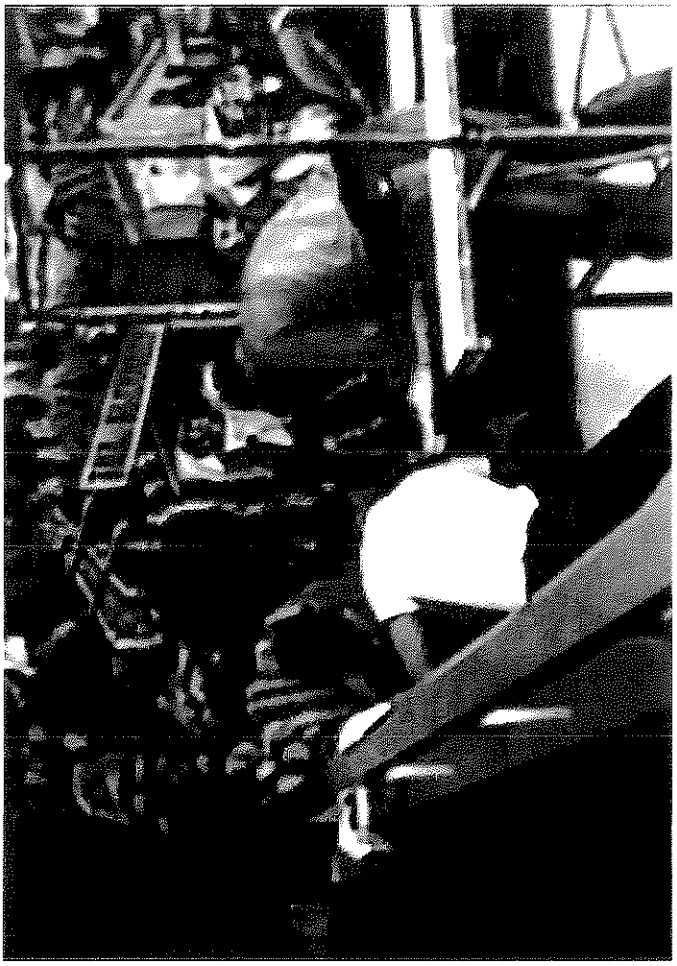
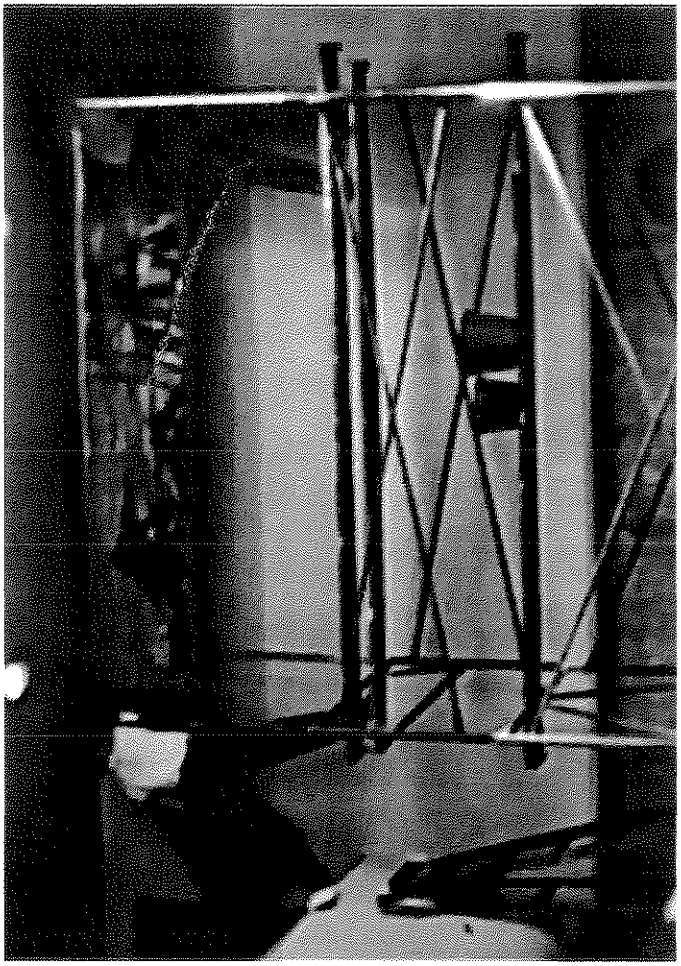
Owner or Authorized Agent / Date (Owner)

Aneta Zebala Paintings Conservation (Zebala)

EXHIBIT 20

EXHIBIT 21





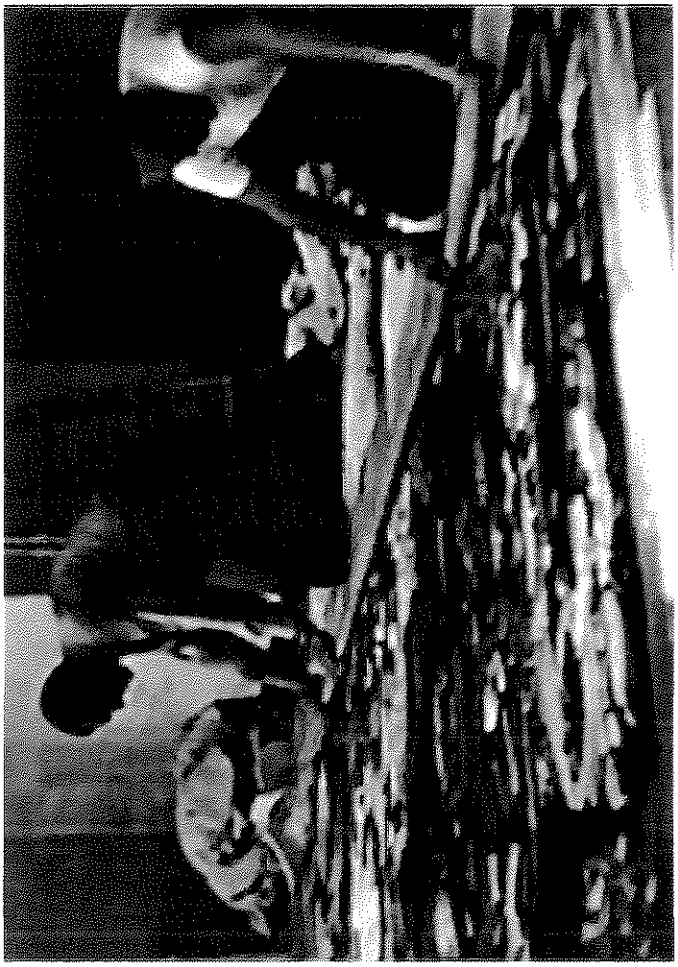


EXHIBIT 22

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this "Agreement") is made and entered into as of this 31 day of March, 2005 (the "Effective Date"), by and between EN REALTY ASSOCIATES, LLC, a Florida limited liability company ("Purchaser"), and GOLDEN STATE MUTUAL LIFE INSURANCE COMPANY, a California corporation ("Seller").

IN CONSIDERATION of the agreements set forth below, Seller and Purchaser hereby agree as follows:

1. Purchase and Sale.

Seller agrees to sell and convey to Purchaser, and Purchaser agrees to purchase from Seller, on the terms and conditions set forth in this Agreement, the Property. The term "Property" shall mean, collectively: (a) that certain parcel of land located in Los Angeles, California, and more particularly described on Exhibit A attached hereto (the "Land"), together with all of Seller's right, title and interest in all rights, easements and interests appurtenant thereto including, without limitation, any streets or other public ways adjacent to the Land and any development rights, water or mineral rights owned by Seller; (b) all improvements located on the Land, including, but not limited to, a building of approximately 54,236 rentable square feet (the "Building"), and all other structures, systems, and utilities associated with, and utilized by Seller in the ownership and operation of the Building (all such improvements, together with the Building, being referred to herein as the "Improvements"), (c) all fixtures and equipment required for the use, operation and maintenance of the Building ("Equipment"), (d) all service contracts and agreements, all warranties and guaranties relating to the Property and all permits, certificates of occupancy and other certificates, licenses, approvals and entitlements for or used in connection with the Property (the "Intangible Property"). The Property shall not include, and Seller shall retain title to and possession of, all personal property owned by Seller, whether located on or about the Building or the Land or otherwise, including furniture, office equipment, files and business records, business licenses and franchises, artwork (including removable murals), trademarks and service marks, tradenames owned or used by Seller.

2. Purchase Price.

(a) The purchase price of the Property shall be SEVEN MILLION SEVENTY THOUSAND AND NO/100 DOLLARS ($7,070,000.00) (the "Purchase Price"). The Purchase Price shall be paid to Seller at Closing (as defined below), plus or minus adjustments hereunder, in the manner set forth in Paragraph 2(b).

(b) The Purchase Price shall be paid as follows:

(i) Within three (3) business days after the mutual execution and delivery of this Agreement, Purchaser shall deposit FIFTY THOUSAND AND NO/100 DOLLARS ($50,000.00) (the "Initial Deposit"), with First American Title Insurance Company at 520 North Central Avenue, Glendale CA 91203 ("Title Company"), who shall act as escrow holder under this Purchase Agreement, to secure Purchaser's performance hereunder. Within three (3) business days after expiration of the Inspection Period, hereinafter defined, Purchase shall deposit with Title Company an additional Deposit (the "Additional Deposit") in the amount of

CID-II 00123

TWO HUNDRED THOUSAND AND NO/100 DOLLARS ($200,000.00) (the Initial Deposit and the Additional Deposit are hereinafter collectively referred to as the "Deposit"). Title Company shall hold the Initial Deposit and the Additional Deposit in an interest bearing account acceptable to the Seller and Purchaser. Interest on the Deposit shall belong to Purchaser.

(ii) In the event that Purchaser shall terminate this transaction pursuant to Paragraph 4(d)(ii) hereinafter, Title Company shall promptly return the Deposit less one-half of the fees of the Title Company to Purchaser.

(iii) If the escrow under this Agreement shall fail to close because of the default of Seller, Purchaser shall be entitled to a return of the Deposit, with the interest earned thereon. If the purchase under this Agreement shall fail to close because of the default of Purchaser, Seller shall be entitled to the Deposit, with interest thereon, as provided in Paragraph 6(a). If either party instructs Title Company to return the Deposit based on a default of the other party, then Title Company shall notify the defaulting party in writing, and, unless Title Company receives within ten (10) business days written notice stating that there is a genuine dispute as to which party is entitled to the proceeds of the Deposit, and describing the basis of such party's claim thereto, Title Company shall return the Deposit to the party making the demand. Except as provided to the contrary hereinbelow, if a party makes a demand for return of the Deposit and Title Company does receive such a written statement from the other party within ten (10) business days after Title Company's notice, then Title Company shall continue to hold the Deposit until the dispute as to which party is entitled to the proceeds of the Deposit is resolved. In the event the sale of the Property hereunder is consummated, the Deposit shall be delivered to Seller at the closing of the purchase and sale contemplated hereunder (the "Closing") and credited against the Purchase Price.

(iv) The balance of the Purchase Price shall be paid to Seller at the Closing in immediately available funds.

3. Title and Condition.

(a) At Closing, Title Company shall issue to Purchaser a Standard Owner's Policy of Title Insurance in the amount of the Purchase Price, insuring fee simple title to the Land and the Improvements in Purchaser, subject only to the Permitted Exceptions (the "Title Policy"). As used herein, the term "Permitted Exceptions" shall mean, collectively: (i) the standard printed exceptions on a Standard Owner's Policy of Title Insurance of Title Company, (ii) non-delinquent liens for general real estate taxes and assessments and (iii) the exceptions shown on Exhibit B attached hereto, which is a preliminary title report on the Property, dated August 17, 2004, issued by Title Company (the "Preliminary Title Report").

(b) Purchaser shall, not later than thirty (30) days following the mutual execution and delivery of the Agreement, have the right to obtain a survey of the Property, at Purchaser's sole cost and expense, prepared and certified to have made in accordance with ALTA/ACSM standards, on or after the date of this Agreement by a registered land surveyor (the "Survey"). The Survey shall be certified to Purchaser, Purchaser's counsel, and Title Company. If Purchaser fails to obtain such Survey during such period, any encroachments or other defects or matters of any kind which could have been revealed thereby shall be considered Permitted Exceptions (as

CID-II 00124

defined below) hereunder. If the Survey is obtained in a timely manner and shows any encroachments over a building, set-back or property line, a prohibited encroachment of a nature over any easement or any other matter which does or could in the future interfere with the use, operation or financing of the Property or render title thereto unmarketable and which are not Permitted Exceptions (collectively, "Survey Defects"), Purchaser, within five (5) days after receipt of the Survey, may deliver to Seller and Title Company written notice of those Survey Defects to which it objects. If Purchaser fails to deliver such written notice or objection to Seller and Title Company within such period, Purchaser shall be deemed to have waived its rights to object to such Survey Defects, which shall thereafter be deemed Permitted Exceptions. In the event that Purchaser shall timely object to any such Survey Defects, Seller shall notify Purchaser within five (5) days after the date of Seller's receipt of Purchaser's notice of such objections that either: (i) the Survey Defects will be cured prior to the Closing and, in such event, if reasonably required to accomplish the same, the Closing Date shall be deferred to the soonest date thereafter provided by a written notice from Seller to Purchaser, but not later than thirty (30) days after the Closing Date as set forth in Paragraph 7 hereinafter, or (ii) Seller has failed to arrange to cure the Survey Defects. If Seller does not notify Purchaser that it has arranged to have the Survey Defects cured or insured over as set forth above, Purchaser may elect either:

(A) To terminate this Agreement, in which event the Deposit less one-half of the fees of the Title Company shall be returned to Purchaser as Purchaser's sole remedy hereunder; or

(B) To take title as it then is;

which election must be made by written notice by Purchaser received by Seller and Title Company within five (5) days following expiration of said five (5) day period.

If Purchaser does not elect to so terminate this Agreement, then:

(X) Purchaser shall be deemed to have agreed to accept title as it then is without any reduction in the Purchase Price;

(Y) All Survey Defects not cured or insured over will be deemed Permitted Exceptions; and

(C) This Agreement shall remain in full force and effect.

(c) Except as otherwise set forth in this Agreement, Purchaser shall purchase the Property "As-Is, Where-Is", without recourse and without any representations of Seller (other than those expressly set forth in Paragraph 8), express or implied, subject to all physical conditions and legal restrictions and requirements affecting the Property. In no event shall Seller be obligated to repair or alter any condition of the Property, satisfy any legal requirements that may be applicable to the Property or amend or terminate any documents or agreements affecting the Property. Without limiting the foregoing, Purchaser acknowledges that Purchaser shall be responsible for satisfying itself with the physical, environmental, legal and economic conditions of the Property and all other aspects of the Property. Purchaser acknowledges that Purchaser is

CID-II 00125

acquiring the Property subject to all existing laws, ordinances, rules and regulations, and that neither Seller nor any of Seller's officers, directors, employees, agents, representatives and attorneys have made any representations or statements regarding the Property. Purchaser acknowledges that (i) Purchaser is a sophisticated property owner, is knowledgeable and experienced in the financial and business risks attendant to investing in real property and is capable of evaluating the merits and risks of entering into this Agreement and purchasing the Property, and (ii) Purchaser has entered into this Agreement with the intention of making and relying solely upon its own investigation of the physical, environmental, economic and legal condition of the Property. Purchaser agrees that Seller shall have no liability under this Agreement for any subsequently discovered defects, whether latent or patent. Seller has agreed to the Purchase Price in light of all the foregoing.

4. Deliveries; Purchaser's Inspection.

(a) Seller has made or shall make available to Purchaser the following with respect to the Property (collectively, the "Due Diligence Items"):

(i) The Preliminary Report, together with copies of all documents reflected in the exceptions thereto;

(ii) A Phase 1 environmental report, dated September 9, 2004, prepared by Earth Tech Engineering, regarding the condition of the Building and Land; and

(iii) Within three (3) days of the mutual execution and delivery of this Agreement, Seller shall provide to Purchaser the following (the "Due Diligence Materials"): (A) copies of all ad valorem tax statements relating to the Property for the most recent tax year; (B) copies of any surveys of the Property; (C) a copy of any existing leases of the Property; (D) a copy of any service, supply, equipment rental, and other contracts related to the Property; (E) a copy of any records, governmental notices, environmental reports and test results, and any other information relating to the environmental condition of the Property; (F) copies of all existing environmental, engineering and geotechnical reports, if any; (G) copies of building plans and specifications, if any; and (vii) copy of the building Certificate of Occupancy.

(b) During the Inspection Period, the Purchaser will be applying for a loan to finance the purchase of the Property. Seller agrees to promptly provide to Purchaser and Purchaser's lender with copies of such other documents relating to the Property as Purchaser or Purchaser's lender may reasonably request, if in Seller's possession or control.

(c) Purchaser acknowledges that the Due Diligence Materials are provided solely for the convenience of the Purchaser and may not be relied upon by Purcahser, Purcahser's lender or any other party

(d) Inspection Period.

(i) Inspections. For a period of thirty (30) days from the mutual execution and delivery of this Agreement, Purchaser shall be entitled to inspect the Property (the "Inspection Period"). Purchaser (and its agents, employees, and representatives) will have

CID-II 00126

reasonable access to the Property during regular business hours upon reasonable notice during Inspection Period, for the purpose of conducting surveys, architectural, engineering, geotechnical, and environmental inspections and tests and any other inspections, studies, or tests reasonably desired by Purchaser, all at Purchaser's sole expense; provided that Purchaser's actions under this paragraph shall not materially interfere with Seller's use of the Property or Cause material damage to the Property. If any inspection or test disturbs the Property, Purchaser shall, at its sole expense, restore the Property as soon as reasonably possible to the same condition as existed prior to any such inspection or test. Purchaser shall indemnify and hold Seller harmless from any and all liability, claims, damages or expenses including costs, expenses and attorney's fees as a result of Purchaser's inspections. Seller, at its sole discretion, may designate representatives to accompany or observe Purchaser (and its agents, employees and representatives). Purchaser shall provide to Seller copies of all inspection reports obtained by Purchaser during the Inspection Period.

(ii) Termination. Notwithstanding anything to the contrary in this Agreement, Purchaser may terminate this Agreement by giving written notice of termination to Seller on or before one (1) business day after the expiration of the Inspection Period in the event Purchaser determines, in Purchaser's sole and absolute discretion, that the Property or the transaction contemplated herein is not acceptable to Purchaser. If Purchaser does not give notice of termination by such date, this Agreement will continue in full force and effect, and Purchaser's right to terminate this Agreement pursuant to this subparagraph will expire and be of no further force or effect. If this Agreement terminates pursuant to this subparagraph, the Deposit less one-half of the fees of the Title Company will be immediately refunded to Purchaser by Title Company.

5. Conditions to Closing.

(a) The following are conditions precedent to Purchaser's obligation to acquire the Property and to deliver the Purchase Price (the "Purchaser Conditions Precedent"). If any Purchaser Conditions Precedent are not satisfied as determined by Purchaser in Purchaser's reasonable discretion, Purchaser may elect by written notice to Seller and Title Company to terminate this Agreement and receive a refund of the Deposit. Upon such termination, neither party shall have any further obligations hereunder except as provided in Paragraphs 11(a), 13(b), 13(h), 13(m) and 13(n) hereof.

(i) This Agreement shall not have terminated pursuant to any provision hereof.

(ii) The physical condition of the Property shall be substantially the same on the day of Closing as on the date of Purchaser's execution of this Agreement, reasonable wear and tear and loss by casualty excepted (subject to the provisions of Paragraph 10 below), and, as of the day of Closing, there shall be no litigation or administrative agency or other governmental proceeding, pending or threatened, not previously disclosed to Purchaser which after Closing would materially adversely affect the value of the Property or the ability of Purchaser to operate the Property in the manner in which it is currently being operated, and no proceedings not previously disclosed to Purchaser shall be pending or threatened which could or would cause the redesignation or other modification of the zoning classification of, or of any buildings code

CID-II 00127

requirements applicable to the Property or any portion thereof, which after Closing would materially adversely affect the value of the Property or the ability of Purchaser to operate the Property in the manner in which it is currently being operated.

(iii) Title Company shall be irrevocably and unconditionally committed to issue to Purchaser the Title Policy as described in Paragraph 3(a) above (subject only to payment of its premiums therefor).

(iv) All of Seller's representations and warranties contained herein shall be true and correct on the Closing Date and Seller shall not otherwise be in default of any of its material obligations under this Agreement.

(v) Seller shall have delivered an executed copy of the Lease Agreement effective as of the Closing Date by and between Seller and Purchaser under which Seller shall lease the Property from Purchaser from and after the Closing (the "Lease Agreement") in substantially the form attached hereto as Exhibit C.

(vi) Purchaser shall have obtained a loan commitment for a new first mortgage encumbering the Property in an amount not less than seventy percent (70%) of the Purchase Price at a prevailing market rate. Purchaser shall receive written approval from the lender on or before forty-five (45) days from the mutual execution and delivery of this Agreement (the "Loan Commitment Period"). In the event that Purchaser does not receive a loan commitment within the Loan Commitment Period, Purchaser shall provide written notice thereof within one (1) business day of the expiration of the Loan Commitment Period, whereupon this Agreement shall be terminated, and Title Company shall return the Deposit to Purchaser.

(b) The following are conditions precedent to Seller's obligation to sell the Property (the "Seller Conditions Precedent"). If any Seller Conditions Precedent are not satisfied as determined by Seller in Seller's reasonable discretion, Seller may elect by written notice to Purchaser and the Title Company to terminate this Agreement and any ancillary documents. Upon such termination, neither party shall have any further obligations hereunder except as provided in Paragraphs 11(a), 13(b), 13(h), 13(m) and 13(n) hereof.

(i) All of Purchaser's representations and warranties contained herein shall be true and correct on the Closing Date and Purchaser shall not otherwise be in default of any of its material obligations under this Agreement.

(ii) Purchaser shall have delivered an executed copy of the Lease Agreement.

(iii) Purchaser shall have delivered to Title Company the balance of the Purchase Price and all other funds and documents required from Purchaser hereunder.

6. Remedies.

(a) In the event the sale of the Property is not consummated because of the failure of any condition or any other reason except a default under this Agreement on the part of Purchaser, the Deposit with the interest earned thereon shall be returned to Purchaser. If said sale is not consummated solely because of a default under this Agreement on the part of Purchaser, Seller

CID-II 00128

shall be excused from further performance hereunder and the Deposit with the interest earned thereon shall be paid to and retained by Seller as liquidated damages. THE PARTIES HAVE AGREED THAT SELLER'S ACTUAL DAMAGES, IN THE EVENT OF A DEFAULT BY PURCHASER, WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO DETERMINE. THEREFORE, BY PLACING THEIR INITIALS BELOW, THE PARTIES ACKNOWLEDGE THAT THE DEPOSIT HAS BEEN AGREED UPON, AFTER NEGOTIATION, AS THE PARTIES' REASONABLE ESTIMATE OF SELLER'S DAMAGES AND AS SELLER'S EXCLUSIVE REMEDY AGAINST PURCHASER, AT LAW OR IN EQUITY, IN THE EVENT OF A DEFAULT UNDER THIS AGREEMENT ON THE PART OF PURCHASER. THE PARTIES ACKNOWLEDGE THAT THE PAYMENT OF SUCH LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER.

INITIALS: **Seller** _____ **Purchaser** _____

(b) In the event the sale of the Property is not consummated because of a default under this Agreement on the part of Seller, Purchaser may either (i) terminate this Agreement by delivery of written notice of termination to Seller and Title Company, whereupon (A) the Deposit and the interest earned thereon shall be returned to Purchaser, subject to the provisions of Paragraph 2(b), and (B) Seller shall pay to Purchaser any out-of-pocket title, escrow and legal costs and expenses actually incurred by Purchaser and any other out-of-pocket fees, costs and expenses actually incurred by Purchaser in connection with the performance of the negotiation and performance of this Agreement, and neither party shall have any further rights or obligations hereunder except to the extent set forth in Paragraphs 11(a), 13(b), 13(h), 13(m) and 13(n) hereof, or (ii) continue this Agreement and bring an action for specific performance hereof.

7. Closing and Escrow.

(a) Upon mutual execution of this Agreement, the parties hereto shall deposit an executed counterpart of this Agreement with Title Company and this Agreement shall serve as instructions to Title Company, as escrow holder, for consummation of the purchase and sale contemplated hereby. Seller and Purchaser agree to execute such additional escrow instructions as may be appropriate to enable the Title Company to comply with the terms of this Agreement; provided, however, that in the event of any conflict between the provisions of this Agreement and any supplementary escrow instructions (other than joint escrow instructions), the terms of this Agreement shall control.

(b) The parties shall conduct an escrow closing pursuant to this Paragraph 7 on the date that is the date that is fifteen (15) business days after the later of (i) the expiration of the Loan Commitment Period and (ii) the date of Purchaser's loan commitment, or on such other date as Purchaser and Seller may agree; provided however that the closing shall not take place later than May 22, 2005 (the "Closing Date").

(c) At or before the Closing, Seller shall deliver to Title Company (for delivery to Purchaser upon Closing) the following (other than the materials described in clause viii, below),

CID-II 00129

which shall be delivered directly to Purchaser by Seller substantially concurrent with the Closing):

(i) a duly executed and acknowledged grant deed in the form attached hereto as Exhibit D, pursuant to which Seller shall convey to Buyer all of its right, title and interest to the Land and Improvements;

(ii) a duly executed copy of a bill of sale in the form attached hereto as Exhibit E (the "Bill of Sale"), pursuant to which Seller shall transfer all of its title to the Equipment to Purchaser;

(iii) a duly executed copy of the Assignment of Service Contracts, Warranties, Guaranties and Other Intangible Property in the form attached hereto as Exhibit F (the "Assignment of Intangible Property"), pursuant to which Seller shall assign all of its interest in the Intangible Property to Purchaser and Purchaser shall assume such Intangible Property;

(iv) a "FIRPTA Affidavit" pursuant to Section 1445 (b)(2) of the Internal Revenue Code of 1986, as amended (the "Code") duly executed by Seller, which Affidavit shall indicate that no federal or state tax withholding shall be required;

(v) a California 593-W Certificate;

(vi) a duly executed copy of the Lease Agreement;

(vii) such resolutions, authorizations, bylaws or other corporate and/or partnership documents relating to Seller as shall be required by Title Company;

(viii) a Subordination, Non-disturbance, Attornment Agreement, and Lessee-Lessor Estoppel Agreement, in form as customarily required by Purchaser's Lender (GE Commercial Finance); and

((ix) any other customary closing documents reasonably requested by Title Company or Purchaser.

(d) At or before the Closing, Purchaser shall deliver to Title Company (for delivery to Seller upon Closing) the following:

(i) a duly executed copy of the Bill of Sale;

(ii) a duly executed copy of the Assignment of Intangible Property;

(iii) a duly executed copy of the Lease Agreement;

(iv) such resolutions, authorizations, bylaws or other corporate and/or partnership documents or agreements relating to Purchaser as shall be required by Title Company;

(v) any other customary closing documents reasonably requested by Title Company or Seller; and

(vi) the balance of the Purchase Price and any other funds required from Purchaser to close the escrow, in cash or other immediately available funds, subject to adjustments as set forth herein.

(e) Seller and Purchaser shall each deposit such other instruments as are reasonably required by Title Company or otherwise required to close the escrow and consummate the acquisition of the Property in accordance with the terms hereof (provided that in no event shall any such documents increase the liability of Purchaser or Seller). Seller and Purchaser hereby designate Title Company as the "Reporting Person" for the transaction pursuant to Section 6045(e) of the Code and the regulations promulgated thereunder and agree to execute such documentation as is reasonably necessary to effectuate such designation.

(f) Closing Costs. Seller shall pay all transfer taxes and excise taxes with respect to the Property and sales tax (if any) on the Equipment and Intangible Property. Seller shall pay the premium for the Title Policy that is properly allocable to the CLTA or standard coverage portion thereof and Purchaser shall pay the portion for such premium that is properly allocable to any endorsement requested by Purchaser and for any ALTA or extended coverage requested by Purchaser. Seller shall be responsible for all costs incurred in connection with the prepayment or satisfaction of any loan secured by the Property, including, without limitation, any prepayment fees, penalties or charges. All other costs and charges of the escrow for the sale not otherwise provided for in this Paragraph 7 or elsewhere in this Agreement shall be allocated in accordance with the applicable closing customs for Los Angeles County as determined by the Title Company.

(g) Apportionments. Title Company shall not prorate or apportion any taxes, assessments, operating or maintenance expenses or other amounts due with respect to the Property, all of which shall be payable by Seller prior to the Closing, and payable pursuant to provisions of the Lease Agreement from and after the Closing.

8. Representations and Warranties of Seller.

(a) Seller hereby represents and warrants to Purchaser as follows:

(i) Seller has not, and as of the Closing Seller shall not have (A) made a general assignment for the benefit of creditors, (B) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Seller's creditors, (C) suffered the appointment of a receiver to take possession of all, or substantially all, of Seller's assets, which remains pending as of such time, (D) suffered the attachment or other judicial seizure of all, or substantially all, of Seller's assets, which remains pending as of such time, (E) admitted in writing its inability to pay its debts as they come due or (F) made an offer of settlement, extension or composition to its creditors generally.

(ii) Seller is not, and as of the Closing shall not be, a "foreign person" as defined in Section 1445 of the Code and any related regulations.

(iii) The Agreement (A) has been duly authorized, executed and delivered by Seller, and (B) does not, and as of the Closing shall not, violate any provision of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject.

(iv) Seller has power and authority to enter into this Agreement and to perform its obligations hereunder, subject to the terms and conditions of this Agreement.

(v) To Seller's knowledge, there is no litigation pending or threatened with respect to the Property or the transactions contemplated hereby.

(vi) Except as previously disclosed to Purchaser, there is no agreement to which Seller is a party or, to the best of Seller's knowledge, binding on Seller which is in conflict with this Agreement. There is no action or proceeding pending to the best of Seller's knowledge, threatened against the Property, including, without limitation, any condemnation or rezoning proceedings, which challenges or impairs Seller's ability to execute or perform its obligations under this Agreement. Except as previously disclosed to Purchaser, Seller has not received any written notice of any legal actions, suits or other legal or administrative proceedings, pending or threatened against the Property.

(b) The phrase "to Seller's knowledge" or "receipt of notice" or in either case words of similar import, as used in this Agreement, means only the current actual knowledge of, without investigation, Larkin Teasley, Seller's chairman.

9. Representations and Warranties of Purchaser.

(a) Purchaser hereby represents and warrants to Seller as follows:

(i) Purchaser is a duly organized and validly existing limited liability company in good standing under the laws of the State of Florida; this Agreement and all documents executed by Purchaser which are to be delivered to Seller at the Closing are or at the time of Closing will be duly authorized, executed and delivered by Purchaser, and do not and at the time of Closing will not violate any provisions of any agreement or judicial order to which Purchaser is subject.

(ii) Purchaser has not, and as of the Closing, Purchaser shall not have (A) made a general assignment for the benefit of creditors, (B) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Purchaser's creditors, (C) suffered the appointment of a receiver to take possession of all, or substantially all, of Purchaser's assets, which remains pending as of such time, (D) suffered the attachment or other judicial seizure of all, or substantially all, of Purchaser's assets, which remains pending as of such time, (E) admitted in writing its inability to pay its debts as they come due or (F) made an offer of settlement, extension or composition to its creditors generally.

(iii) This Agreement (A) has been duly authorized, executed and delivered by Purchaser, and (B) does not, and as of the Closing shall not, violate any provision of any agreement or judicial order to which Purchaser is a party or to which Purchaser or the Property is subject.

(iv) Purchaser has power and authority to enter into this Agreement and to perform its obligations hereunder, subject to the terms and conditions of this Agreement.

10. Risk of Loss.

(a) Purchaser shall be bound to purchase the Property for the full Purchase Price as required by the terms hereof, without regard to the occurrence or effect of any damage to the Property or destruction of any improvements thereon or condemnation of any portion of the Property, provided that (i) the cost to repair any such damage or destruction, or the diminution in the value of the remaining Property as a result of a partial condemnation, does not exceed $250,000.00, (ii) in the case of any such damage or destruction, the repair can be completed within ninety (90) days and (iii) upon the Closing, there shall be a credit against the Purchase Price due hereunder equal to the amount of any insurance proceeds or condemnation awards collected by Seller as a result of any such damage or destruction or condemnation, less any sums reasonably expended by Seller toward the restoration or repair of the Property, and, if all of the proceeds or awards have not been collected as of the Closing, then such proceeds or awards shall be assigned to Purchaser, and Purchaser shall also be entitled to a credit against the Purchase Price in the amount of any deductible or uninsured loss.

(b) If the amount of the damage or destruction or condemnation as specified in Paragraph 10(a) exceeds $250,000.00, or, in the case of any such damage or destruction, the repair cannot be completed within ninety (90) days, then Purchaser may, at its option to be exercised within twenty (20) business days of Seller's written notice of the occurrence of the damage or destruction or the commencement of condemnation proceedings, either terminate this Agreement or consummate the purchase for the full Purchase Price as required by the terms hereof. If Purchaser elects to terminate this Agreement or fails to give Seller written notice within such 20-day period that Purchaser will proceed with the purchase, then the Deposit shall be returned to Purchaser, subject to the provisions of Paragraph 2(b) and neither party shall have any further rights or obligations hereunder except to the extent set forth in Paragraphs 11(a), 13(b), 13(h), 13(m) and 13(n) hereof. If Purchaser elects to proceed with the purchase, then upon the Closing, there shall be a credit against the Purchase Price due hereunder equal to the amount of any insurance proceeds or condemnation awards collected by Seller as a result of any such damage or destruction or condemnation, less any sums reasonably expended by Seller toward the restoration or repair of the Property, and, if all of the proceeds or awards have not been collected as of the Closing, then such proceeds or awards shall be assigned to Purchaser, and Purchaser shall also be entitled to a credit against the Purchase Price in the amount of any deductible or uninsured loss.

11. Access; Indemnity; Possession.

(a) Commencing on the Effective Date and through the Closing Date or the earlier termination of this Agreement, Seller shall afford authorized representatives of Purchaser reasonable access to the Property during regular business hours, and upon not less than twenty four (24) hours prior notice to Seller for purposes of satisfying Purchaser with respect to the representations, warranties and covenants of Seller contained herein and with respect to any Purchaser Condition Precedent. Purchaser hereby agrees to indemnify, defend and hold Seller harmless from and against any and all claims, judgments, damages, losses, penalties, fines,

CID-II 00133

demands, liabilities, encumbrances, liens, costs and expenses (including reasonable attorneys' fees, court costs and costs of appeal) actually suffered or incurred by Seller or the Property and to the extent arising out of or resulting from damage or injury to persons or property caused by Purchaser or its representatives during their investigation of, entry onto or inspections of the Property prior to the Closing. The foregoing indemnity shall survive the Closing, or in the event that the Closing does not occur, the termination of this Agreement.

(b) Possession of the Property shall be delivered to Purchaser on the Closing Date, subject to the rights of Seller as tenant under the Lease Agreement.

12. Seller Covenants.

(a) Between the Effective Date and the Closing, Seller shall operate and maintain the Property in the same manner as before the making of this Agreement. Between the Effective Date and the Closing, Seller shall promptly notify Purchaser of any condemnation, environmental, zoning or other land-use regulation proceedings of which Seller obtains knowledge, between the Effective Date and the Closing, as well as any notices of violations of any laws relating to the Property of which Seller obtains knowledge, and any litigation of which Seller obtains knowledge, between the Effective Date and the Closing, that arises out of the ownership of the Property.

(b) Through the Closing Date, Seller shall maintain or cause to be maintained, at Seller's sole cost and expense, all policies of insurance currently in effect with respect to the Property (or comparable replacements thereof).

(c) Seller shall not, after the Effective Date, create any new encumbrance or lien affecting the Property other than liens and encumbrances (i) that are reasonably capable of being discharged prior to the Closing and (ii) that in fact will be and are discharged prior to the Closing. The obligations set forth in this paragraph shall survive the Closing to the extent such obligations are violated prior to the Closing. Notwithstanding the foregoing provisions of this Paragraph 12(c), Seller may solicit, negotiate and accept "backup" or subordinate offers or agreements to purchase the Property, and allow third parties to enter upon and investigate the Property and otherwise undertake due diligence investigations, provided only that any such offer which is accepted, or purchase agreement so entered into, shall be subordinate to the rights of Purchaser under this Agreement, and effective only in the event that purchase and sale of the Property under this Agreement fails to close or this Agreement is otherwise terminated.

13. Miscellaneous.

(a) Notices. Any notice, consent or approval required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given upon (i) hand delivery, (ii) one (1) business day after being deposited with Federal Express or another reliable overnight courier service, with receipt acknowledgment requested, (iii) upon receipt if transmitted by facsimile telecopy, with a copy sent on the same day by one of the other permitted methods of delivery or (iii) upon receipt or refused delivery deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, and addressed as follows:

If to Seller:	Golden State Mutual Life Insurance Company 1999 West Adams Boulevard Los Angeles, California 90018 Attn: Mr. Larkin Teasley Fax No.: (323) 732-2139
with a copy to:	_____ _____ _____ Attn: _____ Fax No.: (_____) _____
If to Purchaser:	EN Realty Associates, LLC c/o Rosenthal Rosenthal Rasco, LLC 2875 N.E. 191st Street, Suite 500 Aventura, Florida 33180 Attn: Kerry E. Rosenthal, Esq. Fax No.: (305) 937-1311

or such other address as either party may from time to time specify in writing to the other.

(b) Brokers and Finders. Neither party has had any contact or dealings regarding the Property, or any communication in connection with the subject matter of this transaction, through any real estate broker or other person who can claim a right to a commission or finder's fee in connection with the sale contemplated herein except for (i) Colliers Seeley, whose commission and fees shall be paid from the proceeds of the sale and (ii) ANR Commercial, Inc., who shall be paid Seventy Thousand Dollars ($70,000) from the proceeds of the sale. In the event that any other broker or finder makes a claim for a commission or finder's fee based upon any contact, dealings or communication, the party whose conduct is the basis for the broker or finder making its claim shall indemnify, defend and hold harmless the other party against and from any commission, fee, liability, damage, cost and expense, including, without limitation reasonable attorneys' fees, arising out of or resulting from any such claim. The provisions of this Paragraph 13(b) shall survive the Closing, or in the event that the Closing does not occur, the termination of this Agreement.

(c) Successors and Assigns. The Agreement shall be binding upon the successors and assigns of the parties hereto. Purchaser shall have the right to assign any or all of its rights and privileges under this Contract to an Affiliate (as defined below), but such assignment shall not relieve Purchaser of its obligations under this Agreement. For the purposes of this Paragraph, Affiliate shall mean any person or entity which directly or indirectly controls, is controlled by or is under common control with Purchaser or which results from a merger or consolidation with Purchaser or an Affiliate of Purchaser or succeeds to all or substantially all of the assets or stock of Purchaser or an Affiliate of Purchaser. Further, notwithstanding the foregoing to the contrary, the issuance, sale, purchase or other disposition of the shares of Purchaser or an Affiliate of Purchaser, or any change in control, directors, management or organization of Purchaser or an Affiliate of Purchaser shall not be deemed to be an assignment requiring the consent of Seller. If Seller consents to an assignment, the assignment shall not be

CID-II 00135

effective against Seller until Purchaser delivers to Seller a fully executed copy of the assignment instrument. Subject to the foregoing, this Agreement will be binding upon and inure to the benefit of the respective legal representatives, successors, assigns, heirs, and devisees of the parties.

(d) Amendments. Except as otherwise provided herein, this Agreement may be amended or modified only by a written instrument executed by Seller and Purchaser.

(e) Governing Law. The Agreement shall be governed by and construed in accordance with the laws of the State of California.

(f) Merger of Prior Agreements. The Agreement and the exhibits and schedules hereto, constitutes the entire agreement between the parties and supersede all prior agreements and understandings between the parties relating to the subject matter hereof.

(g) Construction. Seller and Purchaser acknowledge that each party and its counsel have reviewed and revised this Agreement and that the rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any document executed and delivered by either party in connection with the transactions contemplated by this Agreement. The captions in this Agreement are for convenience of reference only and shall not be used to interpret this Agreement.

(h) Enforcement. If either party hereto fails to perform any of its obligations under this Agreement or if a dispute arises between the parties hereto concerning the meaning or interpretation of any provision of this Agreement, then the defaulting party or the party not prevailing in such dispute shall pay any and all costs and expenses incurred by the other party on account of such default and/or in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees and disbursements. Any such attorneys' fees and other expenses incurred by either party in enforcing a judgment in its favor under this Agreement shall be recoverable separately from and in addition to any other amount included in such judgment, and such attorneys' fees obligation is intended to be severable from the other provisions of this Agreement and to survive and not be merged into any such judgment. The provisions of this Paragraph 13(h) shall survive the Closing, or in the event that the Closing does not occur, the termination of this Agreement.

(i) Time of the Essence. Time is of the essence of this Agreement.

(j) Severability. If any provision of this Agreement, or the application thereof to any person, place, or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect.

(k) Further Assurances. From and after the date of this Agreement, Seller and Purchaser agree to do such things, perform such acts, and make, execute, acknowledge and deliver such documents as may be reasonably necessary or proper and usual to complete the

transactions contemplated by this Agreement and to carry out the purpose of this Agreement in accordance with this Agreement.

(l) Waivers. No waiver of any provision of this Agreement or any breach of this Agreement shall be effective unless such waiver is in writing and signed by the waiving party and any such waiver shall not be deemed a waiver of any other provision of this Agreement or any other or subsequent breach of this Agreement.

(m) Confidentiality. Each party agrees to maintain in confidence, and not to disclose to any third party, the information contained in this Agreement or pertaining to the sale or any other transactions contemplated hereby or thereby and the information and data furnished or made available by Seller to Purchaser, its agents and representatives in connection with Purchaser's investigation of the Property and the transactions contemplated by this Agreement; provided, however, that each party, its agents and representatives may disclose such information and data (i) to such party's accountants, attorneys, prospective lenders, accountants, partners, consultants and other advisors in connection with the transactions contemplated by this Agreement (collectively "Representatives") to the extent that such Representatives reasonably need to know (in Purchaser's or Seller's reasonable discretion) such information and data in order to assist, and perform services on behalf of, Purchaser or Seller, (ii) to the extent required by any applicable statute, law, regulation, governmental authority or court order, (iii) in connection with any securities filings, registration statements or similar filings undertaken by Purchaser and (iv) in connection with any litigation that may arise between the parties in connection with the transactions contemplated by this Agreement. Purchaser shall consult with Seller prior to making any press release intended for general circulation regarding the transactions contemplated hereunder. The provisions of this Paragraph 13(m) shall survive the Closing, or in the event that the Closing does not occur, the termination of this Agreement.

(n) Return of Documents. In the event that this Agreement terminates, Purchaser shall return to Seller all due diligence materials and all copies thereof delivered by Seller to Purchaser hereunder. The provisions of this Paragraph 13(n) shall survive the termination of this Agreement.

(o) Counterparts and Facsimile Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which, when taken together, shall be deemed to be one agreement. This Agreement may be executed pursuant to original or facsimile copies of signatures, with the same effect as if the parties had signed the document pursuant to original signature.

(p) Calculation of Time Periods. In computing any period of time described herein, if the last day of such period is a Saturday, Sunday or holiday on which national banking institutions are authorized or permitted to close, the period will be deemed to run until the end of the next succeeding day which is neither a Saturday, Sunday, or holiday on which national banking institutions are authorized or permitted to close.

(q) Section 1031 Exchange. The Seller or Purchaser may consummate the acquisition of the Property as the part of a so-called like/kind exchange ("Exchange") pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended, provided that: (i) the Closing shall not be

CID-II 00137

delayed or affected by reason of the exchange, nor shall the consummation or the accomplishment of the Exchange be a condition precedent or condition subsequent to the Purchaser's obligations under this Agreement; (ii) the Seller or Purchaser may affect the Exchange through a qualified intermediary; (iii) the Seller or Purchaser shall not be required to incur any liability or expense from the other, as the case may be in connection with the Exchange; and (iv) the Seller or Purchaser, as the case may be, shall pay any additional costs that would not otherwise have been incurred by the Seller or Purchaser had Seller or Purchaser not consummated its acquisition through the Exchange. The party requesting the Exchange shall indemnify and hold harmless the other party from any and all cost, liability, loss, damage or expense, including, without limitation, reasonable attorneys' fees, to the extent resulting from the Exchange.

(r) Subordination, Non-Disturbance and Attornment. Upon request, at or prior to Closing, Seller agrees to provide Purchaser's lender with a Subordination, Non-Disturbance and Attornment Agreement in such form as the lender may reasonably request.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

SELLER: GOLDEN STATE MUTUAL LIFE INSURANCE COMPANY,
a California corporation

By: _____
Name: Larkin Teasley
Title: Chairman & President

PURCHASER: EN REALTY ASSOCIATES, LLC,
a Florida limited liability company

By: _____
Name: Eduard Nakhamkin
Title: Managing Member

COUNTERPART SIGNATURE PAGE TO
PURCHASE AGREEMENT

DATED AS OF _____, 2005

FIRST AMERICAN TITLE INSURANCE COMPANY

Title Company agrees to act as escrow holder and Title Company in accordance with the terms of this Agreement and to act as the Reporting Person in accordance with Section 6045(e) of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

FIRST AMERICAN TITLE INSURANCE COMPANY

By: _____

Its: _____

Date: _____

EXHIBIT A

LEGAL DESCRIPTION

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

PARCEL 1:

THAT PORTION OF BLOCK 18 OF WEST ADAMS HEIGHTS, IN THE CITY OF LOS ANGELES, AS PER MAP RECORDED IN BOOK 2 PAGES 53 AND 54 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING NORTHERLY OF A LINE THAT IS PARALLEL WITH AND DISTANT NORTHERLY 245 FEET MEASURED AT RIGHT ANGLES FROM THE CENTER LINE OF ADAMS BOULEVARD, FORMERLY ADAMS STREET, AS SHOWN ON SAID MAP.

EXCEPTING THEREFROM THE NORTHERLY 200 FEET OF SAID LAND.

ALSO EXCEPTING THAT PORTION INCLUDED WITHIN WESTERN AVENUE.

PARCEL 2:

THE WESTERLY 121.80 FEET OF THAT PORTION OF BLOCK 18 OF WEST ADAMS HEIGHTS, IN THE CITY OF LOS ANGELES, AS PER MAP RECORDED IN BOOK 2 PAGES 53 AND 54 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING SOUTHERLY OF A LINE THAT IS PARALLEL WITH AND DISTANT NORTHERLY 245 FEET MEASURED OF RIGHT ANGLES FROM THE CENTER LINE OF ADAMS BOULEVARD, FORMERLY ADAMS STREET, AS SHOWN ON SAID MAP.

EXCEPTING THEREFROM THAT PORTION INCLUDED WITHIN WESTERN AVENUE.

APN: 5058-015-005

EXHIBIT 23

ABELSON | HERRON LLP
Michael Bruce Abelson (State Bar No. 130739)
Lisa Von Eschen (State Bar No. 156798)
Heather L. Mayer (State Bar No. 210544)
333 South Grand Avenue, Suite 1550
Los Angeles, California 90071-1559
Telephone: (213) 402-1900
Facsimile: (213) 402-1901
mabelson@abelsonherron.com
lvoneschen@abelsonherron.com
hmayer@abelsonherron.com

Attorneys for Interested Party
Community Impact Development II, LLC

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

INSURANCE COMMISSIONER OF THE STATE OF CALIFORNIA, Applicant, v. GOLDEN STATE MUTUAL LIFE INSURANCE COMPANY, a California corporation, Respondent.	CASE NO. BS123005 Assigned to Hon. David P. Yaffe **OBJECTION TO REQUEST FOR PROPOSAL BY CONSERVATOR FOR GOLDEN STATE MUTUAL LIFE INSURANCE COMPANY IN CONSERVATION**

TO THE COURT AND PLAINTIFF INSURANCE COMMISSIONER OF THE STATE OF CALIFORNIA AND ITS ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that interested party Community Impact Development II, LLC ("CID II") hereby objects to the Request for Proposal ("RFP") issued by the Conservator for Golden State Mutual Life Insurance Company in Conservation on June 25, 2010 to Persons Interested in Purchasing the Art Collection and/or Historical Materials of Golden State Mutual Life Insurance Company in Conservation. See Exhibit A hereto. Specifically, CID II objects to the RFP to the extent that it seeks bids on two murals in the Golden State Mutual Life Insurance Building, of which CID II is the current owner and asserts an ownership interest in said murals as set forth below. See Exhibit B hereto (photographs of murals).

I.

INTERESTED PARTY CID II

CID II purchased the Golden State Mutual Insurance Company building (believing it to include the murals at issue as set forth herein) with the intent that the South Central Los Angeles Regional Center ("SCLARC") would be the building's main tenant. SCLARC has been serving the South Central Los Angeles community for more than 35 years, providing more than 10,000 consumers and families with opportunities for empowerment and self-advocacy while promoting outreach and education. Friends of SCLARC is a not-for-profit organization which has an ownership interest in CID II.

II.

FACTUAL BACKGROUND

Golden State is an insurance company headquartered in Los Angeles, California. Since its inception in 1925, Golden State has primarily served the African American community. In 1949, Golden State moved into a new office building located at 1999 West Adams Boulevard, Los Angeles, California 90018 (the "Building"). As part of the original construction of the Building, famed artists from the Harlem Renaissance were commissioned to paint two murals depicting the contributions of early African American settlers in California that are an integral part of the lobby of the Building. "The Negro in California History – Exploration and

Colonization" (1527 – 1850) by Charles Henry Alston (1907 – 1977) and "The Negro in California History – Settlement and Development" (1850 – 1949) by Hale Woodruff (1900 – 1980) are prominently and inextricably linked to the main lobby of the Building. They are identical in size and configuration, mirroring each other across the Building lobby. The permanent location of the murals was included in the original architectural drawings for the Building, which was designed by prominent African American architect Paul R. Williams, who worked closely with the mural artists to ensure stylistic and color harmony. The murals were unveiled when Golden State moved into the Building in or around August 1949. The murals have remained in the same location ever since, and are of significant historical and cultural importance to the surrounding community.

Golden State sold the Building to En Realty Associates on or about March 31, 2005.[1] Golden State subsequently leased space in the Building from En Realty Associates for a term of 180 months. On or about May 28, 2008, En Realty Associates sold the Building to West Adams Investment Trust. On or about May 13, 2009, CID II purchased the Building from West Adams Investment Trust, including, but not limited to, all furniture, furnishing, supplies and other tangible personal property belonging to the seller for good and valuable consideration approximating its then fair market value. Transfer of title to the Building was recorded in the Official Records of Los Angeles County, California on or about May 15, 2009. At all times prior to and subsequent to its purchase of the Building, CID II was informed and believed that the murals were a fixture to the Building and included in the sale of the Building to CID II. Indeed, the purchase price of the Building reflected the value of the murals.

On or about September 30, 2009, state insurance regulators seized control of Golden State and appointed the Insurance Commissioner of the State of California as Conservator to direct the business of the company. According to the Conservator's Status

[1] The Conservator is expected to argue that the contract for this sale excepted "removable murals" and that Golden State continued to own them. Whether the murals are removable is a factual issue, as is whether Golden State acted consistently with any claim of continued ownership.

Report filed on January 15, 2010, the Conservator asserts that the murals belong to Golden State and has listed them for sale at a minimum reserve price of $2.2 million. On June 25, 2010, the Conservator issued the RFP seeking bids by July 30, 2010 on Golden State's "significant collection of art by prominent African and African American artists," including "two removable murals on canvas."

III.

OBJECTION TO RFP

The basis of the objection of CID II is the grant deed that was duly recorded in the Official Records of Los Angeles County, California, on or about May 15, 2009, which CID II obtained as a bona fide purchaser of the Building for value. CID II asserts that the murals are a fixture to the Building. The murals were specifically commissioned for and designed to be permanently displayed in the lobby of the Building. They have historical significance to the community in which the Building is located, and are featured in books written about the Building and its African American architect. The murals have remained in the lobby since they were unveiled in 1949 until the present. They are affixed to the Building in such a manner as to indicate an intent that they were meant to be a fixture to the Building. Any reasonable person would assume that the murals were a permanent part of the structure. On that basis, if there was any claim that the murals were not a fixture to the Building, a restriction on title to the Building with respect to the murals should have been recorded. It was not.

Additionally, there is a strong interest in preserving the integrity of the artwork by rejecting any attempt to move the murals from their original location. The California Art Preservation Act (also known as the California artists' rights law), provides:

> The Legislature hereby finds and declares that the physical alteration or destruction of fine art, which is an expression of the artist's personality, is detrimental to the artist's reputation, and artists therefore have an interest in protecting their works of fine art against any alteration or destruction; and that there is also a public interest in preserving the integrity of cultural and artistic creations.

Cal. Civ. Code § 987.

Here, the murals were painted on canvas that is adhered to the lobby walls in the Building. They are unique in that they were created to be a part of the Building and not freestanding artworks that happen to be mounted to the walls. Even if art related technology has advanced to the point where the murals might be moved without causing major damage to the canvases, the conceptual and physical relationship of the murals and supporting research indicate that the murals were intended to unify the public space of the Building and to illustrate the commitment of Golden State Mutual Insurance to its community and patrons. The murals are part of the historic identity of the Building and constitute a reflection of the history of that site and the people who commissioned both the murals and the Building. Moreover, the murals are site-specific and their relationship to the site and to each other would be lost if the murals were to be detached and separated from the Building and each other. Their removal would be similar to cutting out two faces in a group portrait or removing stained glass windows from their cathedral home of more than six decades. Removing and displaying art completely out of its original context would significantly alter and diminish its cultural and historic value.

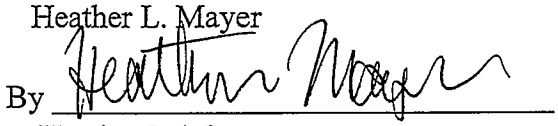
IV.

CONCLUSION

For the foregoing reasons, interested party CID II objects to the inclusion of the murals in the RFP and requests that any bids on the murals be held in abeyance until such time as the matter of their ownership and/or removal can be established with legal certainty.

Dated: July 30, 2010

ABELSON | HERRON LLP
Michael Bruce Abelson
Lisa Von Eschen
Heather L. Mayer

By 
Heather L. Mayer
Attorneys for Interested Party Community Impact Development II, LLC

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am over the age of 18 and not a party to the within action; I am employed by Abelson | Herron, LLP in the County of Los Angeles at 333 South Grand Avenue, Suite 1550, Los Angeles, California, 90071-1559.

On July 30, 2010, I served the document below described as:

OBJECTION TO REQUEST FOR PROPOSAL BY CONSERVATOR FOR GOLDEN STATE MUTUAL LIFE INSURANCE COMPANY IN CONSERVATION

The document was served by the following means:

× **BY U.S. MAIL** I enclosed the document in sealed envelopes addressed to the persons at the addresses in the attached service list and placed the sealed envelopes for collection and mailing, following our ordinary business practices. I am readily familiar with this business's practice for collecting and processing correspondence for mailing. On the said date, it is deposited in the ordinary course of business with the United States Postal Service in sealed envelopes with postage fully prepaid.

I declare under penalty of perjury under the laws of State of California that the foregoing is true and correct.

Executed on July 30, 2010 at Los Angeles, California.

Soonja Bin

SERVICE LIST

Insurance Commissioner of the State of California v. Golden State Mutual Life Ins. Co.
LASC Case No.: BS123005

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THE STATE OF CALIFORNIA

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Lonear W. Heard-Davis
4900 Lincolnshire Avenue
Buena Park, California 90701

Larkin Teasley
4581 Don Milagro Drive
Los Angeles, California 90008

Frederick E. Wadibia
11260 Overland Avenue #11A
Culver City, California 90230

Pension Benefit Guaranty Corporation
Attn: Jon Chatalian
1200 K Street NW
Washington D.C. 20005

Austin C. Moore, III, CLU
President
Golden State Mutual Life Alumni Association
3431 Pomona Boulevard, Suite D
Pomona, California 91768

Gloria Bell Edwards
1429 Thousand Oaks Boulevard
Albany, California 94706

EXHIBIT A

Our Mission
On behalf of the Insurance Commissioner, the CLO acts to rehabilitate and/or liquidate, under Court supervision, troubled insurance enterprises. The CLO operates as a fiduciary for the benefit of claimants, handling the property of the failed enterprises in a prudent, cost-effective, fair, timely, and expeditious manner.

CONSERVATION & LIQUIDATION OFFICE

P.O. Box 26894
San Francisco, California
94126-0894
Tel: 415.676.5000
Fax: 415.676.5002
www.caclo.org

To: Persons Interested in Purchasing the Art Collection and/or Historical Materials of Golden State Mutual Life Insurance Company in Conservation

From: Conservator for Golden State Mutual Life Insurance Company in Conservation

Date: June 25, 2010

Founded in 1925, Golden State Mutual Life Insurance Company ("GSM") made history as the first African American owned insurance company to be established west of the Mississippi. As the company grew and developed over the years, GSM increased in prominence, becoming a central figure in the development of African American businesses in America.

Over the years GSM amassed a significant collection of art by prominent African and African American artists, and has maintained a large amount of historical materials. GSM's art collection and historical materials include two removable murals on canvas, approximately 120 paintings, sculptures, photographs and mixed-media pieces, and numerous documents, photographs and recordings relating to GSM, its history and founders. An inventory of the art collection with photographs can be viewed at www.caclo.org/GoldenStateMutual/ArtCollection.

On September 30, 2009, the Los Angeles Superior Court ordered and appointed the Insurance Commissioner of the State of California to serve as Conservator ("Conservator") of GSM. The Order Appointing Conservator authorizes the Conservator to sell GSM's property at its reasonable market value. Accordingly, the Conservator has prepared a Request for Proposals ("RFP") for the purpose of soliciting proposals from collectors, museums, historians, preservationists, educational institutions, researchers and the public for the purchase, in whole or in part, of GSM's art collection and historical materials.

As indicated in the RFP, all proposals for the purchase of GSM's art and/or historical materials, in whole or in individual items, must be in writing, comply with the instructions and requirements set forth in the RFP including payment of 25% of the proposed purchase price, and be received by GSM by 4:00 p.m., PDT, Thursday, July 30, 2010, at the following location:

Golden State Mutual Life Insurance Company in Conservation
Attention: Scott Pearce, Chief Estate Trust Officer
1999 West Adams Boulevard
Los Angeles, California 90018-3514
Facsimile: (323) 732-2139

No oral, telephonic or non-written proposals or modifications of proposals will be considered. Proposals that do not comply with the instructions set forth herein or are received after the submission deadline may be rejected within the Conservator's sole discretion.

Interested parties may view GSM's artworks and historical materials at GSM's main office in Los Angeles prior to submission of a proposal. A maximum of two (2) hours will be allotted per bidder. Requests for an appointment must be addressed to:

Joshua Solomon
Consultant
Golden State Mutual Life Insurance Company in Conservation
1999 West Adams Boulevard
Los Angeles, California 90018-3514
Tel: (323) 419-3630.
Fax: (323) 732-2139

The Conservator anticipates recommending selected bidders by August 31, 2010; although, the Conservator reserves the right to extend this date in his sole discretion.

It is the intent of the Conservator to sell GSM's art collection and historical materials after the designation of selected bidders. As such, upon selection of winning bidders, except for items having a market value of $20,000 or more as set forth in Section H of the RFP, the selected bidder will have 14 days to complete the purchase including full payment of the purchase price. For purchases requiring the approval of the Los Angeles Superior Court as set forth in Section H of the RFP, the selected winning bidder will have 14 days after the Court's approval of the purchase to complete the purchase including full payment of the purchase price.

Please note the Conservator is under no affirmative obligation to sell GSM's art or historical materials or any part thereof, and may, in his sole discretion, reject any or all bids received, in whole or in part; continue or discontinue this Request For Proposals without liability to any bidder or potential bidder; request clarification, additional information and/or new bids from some or all bidders; make counter offers to some or all bids; accept bids based upon factors other than the highest price; select one or more bids subject to further negotiations and/or approval of the Los Angeles Superior Court; and/or take any other action that the Conservator deems appropriate.

I encourage you to contact Joshua Solomon at the number and address above to schedule an in-person viewing of GSM's art collection and historical materials or with any questions you may have, and to view the art collection at www.caclo.org/GoldenStateMutual/ArtCollection.

I appreciate your interest.

Very truly yours,

David E Wilson

David E. Wilson
Chief Executive Officer and Special Deputy Insurance Commissioner

Date: June 25, 2010

REQUEST FOR PROPOSALS

BY THE INSURANCE COMMISSIONER OF THE STATE OF CALIFORNIA
IN HIS STATUTORY CAPACITY AS CONSERVATOR OF
GOLDEN STATE MUTUAL LIFE INSURANCE COMPANY IN CONSERVATION

FOR THE SALE OF THE ART AND HISTORICAL MATERIALS
OF
GOLDEN STATE MUTUAL LIFE INSURANCE COMPANY IN CONSERVATION

PROPOSAL SUBMISSION DEADLINE
JULY 30, 2010, AT 4:00 P.M. PST

Notice is hereby given that proposals must be received by Golden State Mutual Life Insurance Company in Conservation ("GSM") at the address stated below by 4:00 p.m., PST, Thursday, July 30, 2010, for the purchase of GSM's art and historical materials, in whole or in individual items, in accordance with the requirements set forth herein and/or as determined by the Insurance Commissioner of the State of California in his statutory capacity as Conservator ("Conservator") of GSM in his sole discretion or the Los Angeles Superior Court overseeing GSM's conservation. Please carefully read and follow the instructions set forth herein. Proposals must comply with the instructions set forth herein, be submitted with the payment required, and be received at:

Golden State Mutual Life Insurance Company in Conservation
Attention: Scott Pearce, Chief Estate Trust Officer
1999 West Adams Boulevard
Los Angeles, California 90018-3514
Facsimile: (323) 732-2139

NO ORAL, TELEPHONIC OR NON-WRITTEN PROPOSALS OR MODIFICATIONS OF PROPOSALS WILL BE CONSIDERED. PROPOSALS THAT DO NOT COMPLY WITH THE INSTRUCTIONS SET FORTH HEREIN OR ARE RECEIVED AFTER THE SUBMISSION DEADLINE MAY BE REJECTED WITHIN THE CONSERVATOR'S SOLE DISCRETION.

THE CONSERVATOR IS UNDER NO AFFIRMATIVE OBLIGATION TO SELL GSM'S ART OR HISTORICAL MATERIALS OR ANY PART THEREOF, AND MAY, IN HIS SOLE DISCRETION, REJECT ANY OR ALL BIDS RECEIVED, IN WHOLE OR IN PART; CONTINUE OR DISCONTINUE THIS REQUEST FOR PROPOSALS WITHOUT LIABILITY TO ANY BIDDER OR POTENTIAL BIDDER; REQUEST CLARIFICATION, ADDITIONAL INFORMATION AND/OR NEW BIDS FROM SOME OR ALL BIDDERS; MAKE COUNTER OFFERS TO SOME OR ALL BIDS; ACCEPT BIDS BASED UPON FACTORS OTHER THAN THE HIGHEST PRICE; SELECT ONE OR MORE BIDS SUBJECT TO FURTHER NEGOTIATIONS AND/OR APPROVAL OF THE LOS ANGELES SUPERIOR COURT; AND/OR TAKE ANY OTHER ACTION THAT THE CONSERVATOR DEEMS APPROPRIATE.

I. INTRODUCTION

On September 30, 2009, the Los Angeles Superior Court ordered and appointed the Insurance Commissioner of the State of California to serve as Conservator ("Conservator") of Golden State Mutual Life Insurance Company ("GSM"). The Order Appointing Conservator authorizes the Conservator to sell GSM's property at its reasonable market value. A copy of the Order Appointing Conservator can be reviewed at the Insurance Commissioner's Conservation & Liquidation Office's website at www.caclo.org by clicking on the "Insolvent Insurers" tab, then choosing "Golden State Mutual Life Insurance Company."

GSM's property includes a collection of art and historical materials. An inventory of the art collection with photographs can be reviewed at www.caclo.org/GoldenStateMutual/ArtCollection.

By this Request For Proposals ("RFP"), the Conservator seeks proposals for the purchase, in whole or in part, of GSM's art collection and historical materials.

II. BRIEF DESCRIPTION OF ART COLLECTION AND HISTORICAL MATERIALS OFFERED FOR SALE

GSM's art collection and historical materials include two removable murals on canvas, approximately 120 paintings, sculptures, photographs and mixed-media pieces, and numerous documents, photographs and recordings relating to GSM, its history and founders, the GSM Building and its construction, the insurance industry and items of historical interest.

A. Historical Removable Murals - Oil On Canvas

1. Charles Alston, "The Negro in California History: Exploration and Colonization", oil on canvas, 1949.
2. Hale Woodruff, "The Negro in California History: Settlement and Development", oil on canvas, 1949.

Commissioned by GSM for its new home office on West Adams Boulevard in 1947 and unveiled in 1949, the murals were painted in New York by artists Charles Alston and Hale Woodruff. The murals depict the contributions of African Americans to California's history. The first mural depicts the years 1527 to 1850, and the second depicts the years 1850 to 1949.

Each mural is oil on canvas, measures approximately 16 feet, 5 inches by 9 feet, 3 inches, and is removable. The murals are currently located in GSM's offices on West Adams Boulevard in Los Angeles. Removal and transportation of the murals, and all costs and expenses associated therewith, are the sole responsibility of the purchaser.

Photographs of the murals can be viewed at www.caclo.org/GoldenStateMutual/ArtCollection.

Available for purchase with the murals are the following related items:

1. A film of Charles Alston and Hale Woodruff traveling through California, researching their subject matter in 1947 (film condition unknown);
2. Photographs of the murals and the artists; and
3. GSM internal publications containing articles and depictions of the artists, their research efforts and the murals.

B. Art Collection

GSM's art collection includes approximately 120 paintings, sculptures, photographs and mixed-media works by African and African American artists. The collection was principally assembled by visionary Los Angeles artist William Pajaud over the course of his 30-year tenure at GSM from 1957 through 1987, and includes works by John Riddle, Elizabeth Catlett, Richard Wyatt, Richmond Barthe, James Van der Zee, Mr. Pajaud and others

An inventory with photographs of the art collection can be viewed at www.caclo.org/GoldenStateMutual/ArtCollection.

C. Historical Materials

GSM's historical materials consists of a vast and varied collection of documents, photographs and recordings relating to the company, its founders, officers and employees, the Building and its construction, the insurance industry, and much more. The following is a partial list and description of the materials:

1. The personal collected papers of GSM founder William Nickerson, Jr. spanning the years 1921 through 1939, including his rail ticket to California from Texas along with the letter from Southern Pacific Railroad regarding Mr. Nickerson's traveling party.

2. Collections of the original, typewritten speeches given at various historic events by GSM's founders, with handwritten corrections and notations.

3. Extensive collections of newspaper clippings, magazine articles and other outside publications about GSM, its art collection and its founders.

4. Internal publications including GSM's produced monthly "magazines" with news about the company and its people for a substantial portion of its 85 years. It is unknown at this time whether this collection is complete. Numerous issues of the "Messenger" and the "Golden Pen" are available.

5. 16mm and 8mm movies of the construction of the Building, various company events and the aforementioned research trip by the muralists.

6. Audio recordings on magnetic tape and phonograph records. Includes GSM's founders' addresses to the employees and agents, interviews, radio

programs and radio advertisements.

7. Audio recording of a speech by Robert F. Kennedy on July 26, 1962, before the National Insurance Association at the Statler Hotel in Los Angeles as well as photographs of the event.

8. Thousands of photographs, slides and negatives dating to GSM's earliest days, and featuring the founders, agents, employees of the company, the Building from its construction and throughout its history as well as the many famous and influential people who passed through GSM's doors over the years including Dr. Martin Luther King, Reverend Jesse Jackson, Joe Louis, Lena Horne, Bill Cosby and many others.

9. Advertising materials spanning GSM's 85-year history, including company flyers, copies of print ads and a large collection of original clipart and photographs relating to same.

10. A copy of an unpublished manuscript on the history of GSM.

11. A number of books ranging from mid-19th century to early/mid-20th century.

12. GSM promotional materials including pens, coffee cups, neckties, pins, medals and other items.

13. Blueprints relating to the Building and GSM's district offices.

14. The commemorative trowel used to set the cornerstone of the building in approximately 1948.

III. INFORMATION FOR BIDDERS

A. Request for Proposal Deadline

All proposals for the purchase of GSM's art and/or historical materials, in whole or in individual items, must be in writing, comply with the instructions and requirements set forth herein including payment of 25% of the proposed purchase price for each item, and be received by GSM by 4:00 p.m., PST, Thursday, July 30, 2010, at the following location:

Golden State Mutual Life Insurance Company in Conservation
Attention: Scott Pearce, Chief Estate Trust Officer
1999 West Adams Boulevard
Los Angeles, California 90018-3514
Facsimile: (323) 732-2139

B. Selection Consideration

All proposals submitted in the required format will be given consideration by the Conservator who, in his sole discretion, will decide whether to accept or reject any particular proposal Factors that may be considered by the Conservator in selecting a proposal include, without limitation, the following, presented in no particular order of significance:

- Financial aspects of the proposal, including purchase price and terms of payment;
- Size, financial strength and professional reputation of bidder;
- Amount of the Collection bidder is willing to purchase; and
- Intended use and disposition of the items purchased.

C. Location For Delivery Of Purchased Items

All purchased items are to be picked up from GSM's main office located at 1999 West Adams Boulevard in Los Angeles, California no later than 7 days after completion of the purchase.

D. Viewings By Appointment Only

Interested parties may view GSM's artworks and historical materials at GSM's main office in Los Angeles prior to submission of a proposal/bid. A maximum of two (2) hours will be allotted per bidder. **Requests for an appointment must be addressed to:**

Joshua Solomon
Consultant
Golden State Mutual Life Insurance Company in Conservation
1999 West Adams Boulevard
Los Angeles, California 90018-3514
Tel: (323) 419-3630
Fax: (323) 732-2139

Viewings will be scheduled on a first request, first served basis. There is no guarantee of a viewing. To the extent there is not sufficient time to reasonably schedule all requested viewings before the July 30, 2010 submission deadline, the Conservator reserves the right in his sole discretion to reject viewing requests and/or continue the RFP submission deadline.

E. Discussion With Bidders And Prospective Bidders And Revisions To Proposals

In the Conservator's sole discretion, discussions may be conducted with bidders and/or prospective bidders for the purpose of clarification of, and/or providing information concerning, the RFP process, proposals, revisions to proposals, the removable murals, GSM's art collection, GSM's historical materials, and other items related to this RFP and/or offered for purchase.

F. Selection of Winning Bidder

It is the intent of the Conservator to sell GSM's art collection and historical materials after the designation of selected bidders. The Conservator anticipates recommending selected bidders for

GSM's art collection and historical materials by August 31, 2010; however, the Conservator reserves the right to extend this date or modify this process in his sole discretion.

G. Completion of Purchase

Upon selection of a winning bidder, except for items having a market value of $20,000 or more as set forth in Section H immediately below, the bidder will have 14 days to complete the purchase including full payment of the purchase price. For purchases requiring the approval of the Los Angeles Superior Court as set forth in Section H immediately below, the selected winning bidder will have 14 days after the Court's approval of the purchase to complete the purchase including full payment of the purchase price In the event the Los Angeles Superior Court does not approve the purchase, the purchase will be null, void and of no further effect.

H. Acknowledgement of Necessity of Conservation Court Approval For Certain Purchases.

The Conservator hereby advises, and by submitting a proposal the bidder hereby acknowledges and agrees, that to the extent any of GSM's art or historical materials have a market value of $20,000 or more, regardless of the amount offered in the proposal, (a) the sale of any such property requires the approval by the Los Angeles Superior Court overseeing GSM's conservation, (b) the proposal for the purchase of such property is contingent on the approval by the Los Angeles Superior Court, and (c) any proposal and/or sale of such property is null, void and of no further effect without the approval of the Los Angeles Superior Court. The Conservator anticipates that after the selection of a winning bidder it will take approximately 60 days to apply for and receive the approval of the Los Angeles Superior Court for the sale of property.

IV. INSTRUCTIONS FOR SUBMITTING PROPOSALS AND PROPOSAL CONTENT REQUIREMENTS

Each proposal/bid must be submitted on the form provided. Additional pages may be attached if necessary. Proposals must be complete in all aspects. A proposal may be rejected if it is conditional or incomplete in any respect. The following must be submitted with your proposal:

1. Name, address and telephone number of bidder or bidders. For business entities, the following must be provided:
    a. Official registered name (Corporate, D.B.A., Partnership, etc.), address, main telephone number, facsimile numbers and e-mail address.
    b. Contact person, title, address (if different from above address) and direct telephone number and e-mail address.
    c. Person authorized to contractually bind the bidding organization for any proposal submitted pursuant to the RFP.
2. Identification of each item to be purchased by use of the attached inventory.
3. Purchase offer amount for each item to be purchased.
4. Any additional terms or conditions requested by the bidder.
5. **Payment of 25% of the proposed purchase price for each item, payable to**

"Golden State Mutual Life Insurance Company in Conservation." This payment will be (i) returned to unsuccessful bidders after the selection of a winning bidder, or (ii) retained by GSM if the bidder is selected as the winning bidder and the transaction is not consummated within the time required due to an act or omission within the control of the bidder, or (iii) returned to the selected bidder if the transaction is not consummated due to an act or omission within the control of GSM or the Conservator, or (iv) applied to the purchase price. All interest earned on the payment will be retained by the Conservator to partially cover the expenses of the RFP process.

6. Disclosure of any relationships, current or past, with GSM or the Conservator or their staff or representatives. The Conservator considers it to be a potential conflict of interest if a bidder or any of its personnel have current and/or prior business transactions or relationships with GSM, the Conservator or their staff or representatives, and therefore requires disclosure of any such transactions or relationships. In addition, the Conservator considers it a potential conflict of interest for a bidder to use any of the persons or firms, or any of the persons working for the persons or firms, listed below, regardless of the location of their offices, in connection with any aspect of this RFP, which are currently advising the Conservator on the RFP or other matters affecting GSM. Potential bidders are required to obtain a written waiver or consent from the Conservator with respect to any conflicts that exist or arise in connection with the RFP process prior to submission of a proposal. The Conservator is being advised by the following persons and firms concerning GSM:

Joe Holloway	Private Consultant	On-site Manager
Joshua Solomon	Private Consultant	Consultant
Michael R. Weiss	Epstein, Turner & Song	Legal Counsel
Erik Hanks	M. Hanks Gallery	Fine Art Appraiser
William Pajaud	Formerly of GSM	Artist/Art Collector

NO ORAL, TELEPHONIC OR OTHER NON-WRITTEN PROPOSALS OR MODIFICATIONS OF PROPOSALS WILL BE CONSIDERED. PROPOSALS THAT DO NOT COMPLY WITH THE INSTRUCTIONS SET FORTH HEREIN OR ARE RECEIVED AFTER THE ABOVE STATED DEADLINE MAY BE MAY BE REJECTED WITHIN THE SOLE DISCRETION OF THE CONSERVATOR.

ALL PROPOSALS SUBMITTED WILL BE REVIEWED BY THE CONSERVATOR WHO, IN HIS SOLE DISCRETION, WILL DECIDE WHETHER TO ACCEPT OR REJECT ANY PROPOSAL.

V. DISCLAIMERS, DISCLOSURES AND GENERAL TERMS

1. You are hereby advised that this RFP contains only general information concerning GSM's art collection and historical materials, and does not provide or purport to provide any specific information concerning GSM's art collection and historical materials. GSM, the Conservator and/or his staff and representatives are not liable for any errors or omissions in the descriptions of the art,

historical materials and other property for sale pursuant to this RFP, and make no guarantees, representations or warranties of any kind with respect to the art, historical materials and other property for sale pursuant to this RFP, their authenticity, condition, value or otherwise.

2. Nothing in this RFP or in information provided by the Conservator and/or his staff may be relied upon as a promise or representation of authenticity, condition, value, historical significance or otherwise. All bidders and potential bidders are required to rely upon their own evaluation, research and expertise, and not that of the Conservator or his representatives or staff, in determining bid amounts, quality and genuineness for any and all of GSM's art and historical materials, individually and/or or collectively, offered for purchase in accordance with this RFP. By participating in this RFP process, you and all other potential and actual bidders acknowledge and confirm that the you have not relied upon any information or representations by GSM, the Conservator or their representatives or staff, and that neither GSM, the Conservator nor any of their respective representatives, staff and/or professional advisors have any liability whatsoever including without limitation costs, commissions, fees or expenses incurred by any actual or potential bidder, or any broker, agent, consultant, employee or representative of any actual or potential bidder in connection with this RFP and/or the purchase of GSM's art or historical materials. All potential bidders are responsible for all of their own such costs and expenses of any kind.

3. By submitting a bid and/or participating in this RFP process, each bidder hereby releases GSM, the Conservator, and their representatives, staff, employees and agents from any and all claims for damages or otherwise that the bidder or participant may have by virtue of the RFP process and/or the selection of any winning bidder or no selection of a winning bidder. The bidder, by submitting a proposal, agrees that the prevailing party in any legal proceeding arising out of this RFP process shall be entitled to recover from the other party attorneys' fees and expenses including without limitation expert and/or professional fees and expenses, as well as court costs and expenses.

4. By submitting a proposal for the purchase of GSM's art or historical materials, each bidder acknowledges and agrees that the Conservator is under no affirmative obligation to sell, transfer or otherwise dispose of GSM's art or historical materials or any part thereof, and may, at his sole discretion:

- Reject any or all bids received, in whole or in part, and/or continue or discontinue this RFP process without liability to any bidder or potential bidder;
- Request clarification, additional information and/or new bids and/or proposals from some or all bidders;
- Make counter offers to some or all bids;
- Accept bids based upon factors other than the highest price;
- Select one or more bids subject to further negotiations and/or approval of the Los Angeles Superior Court;
- Respond to bids with additional conditions and requirements, even if such have not been stated herein;
- Accept more than one bid in order to place the entire collection;
- Seek any requisite court approval(s); and/or
- Take any other action that the Conservator deems appropriate

5. The Conservator hereby disclaims having any obligations to bidders or others with respect to the manner or process through which this RFP is conducted, and each bidder, by its submission of a proposal, hereby acknowledges and agrees that it shall have no rights, claims or other actions against the Conservator, GSM, or any of their respective consultants, representatives, staff or professional advisors, based on the manner or process through which this RFP is conducted or the results thereof.

6. This RFP shall be governed and construed in accordance with the laws of the State of California, without giving effect to the principles of conflicts of law.

7. By participating in this RFP process, you and all other potential and actual bidders acknowledge, agree and hereby consent to the exclusive jurisdiction of the Los Angeles Superior Court overseeing GSM's conservation to resolve any and all disputes which arise out of, or relate directly or indirectly, to this RFP or the transactions contemplated hereby. In the event the Los Angeles Superior Court overseeing GSM's conservation is not available, you consent to the exclusive jurisdiction of the Los Angeles Superior Court to resolve any and all disputes which arise out of, or relate directly or indirectly, to this RFP or the transactions contemplated hereby.

PROPOSAL FORM

FOR THE PURCHASE OF THE ART AND HISTORICAL MATERIALS OF GOLDEN STATE MUTUAL LIFE INSURANCE COMPANY IN CONSERVATION

Use this form and the attached inventory to submit your proposal for the purchase of GSM's art and/or historical material. Proposals must comply with the instructions set forth in the Request for Proposals, be submitted with the payment required, and be received at: Golden State Mutual Life Insurance Company in Conservation, Attention: Scott Pearce, Chief Estate Trust Officer, 1999 West Adams Boulevard, Los Angeles, California 90018-3514, Facsimile: (323) 732-2139. Attach additional forms or pages as necessary.

1. Your name, address, telephone number and e-mail. If business entity, also provide contact person and person authorized to contractually bind business with title, address, telephone number, e-mail:

_____

_____

2. Identify each item to be purchased by use of the attached inventory and write your proposed purchase price for each item next to the item in the column provided.

_____

_____

_____

_____

3. Additional terms or conditions requested by you, if any: _____

_____

_____

_____

_____

4. State the proposal amount and amount enclosed with your proposal. Please note that payment of 25% of the proposed purchase price is required for each item, payable to "Golden State Mutual Life Insurance Company in Conservation."

Purchase proposal amount: _____

Amount enclosed: _____

5. Disclosure of any relationships, current or past, with GSM or the Conservator or their staff or representatives. State the name of the person, address, telephone number, relationship, current or past, and any other information you feel is appropriate.

_____

_____

_____

_____

_____

EXHIBIT B

"The Negro in California History – Exploration and Colonization" by Charles Alston, 1949

"The Negro in California History – Settlement and Development" by Hale Woodruff, 1949

EXHIBIT 24

This page is part of your document - DO NOT DISCARD

20090724982

Pages: 0007

Recorded/Filed in Official Records
Recorder's Office, Los Angeles County,
California

05/15/09 AT 08:00AM

FEES:	48.00
TAXES:	NFPR
OTHER:	0.00
PAID:	NFPR

LEADSHEET

200905150230014

00000535421

002108113

SEQ:
01

DAR - Title Company (Hard Copy)

THIS FORM IS NOT TO BE DUPLICATED

r06

2

RECORDING REQUESTED BY:
First American Title Insurance Company
National Commercial Services

AND WHEN RECORDED MAIL TO:

Ydenices Martinez
Community Impact Development II, LLC
2930 East Camelback Road, Suite 215
Phoenix, AZ 85016

05/15/2009
20090724982

For Recorder's Use Only

TRANSFER TAX
NOT A PUBLIC RECORD

APN: 5058-015-005

Documentary Transfer Tax: NOT FOR PUBLIC RECORD

4

Grant Deed

342855-21

JA

3

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL
THIS GRANT DEED AND ALL
TAX STATEMENTS TO:

COMMUNITY IMPACT DEVELOPMENT II, LLC
c/o Dudley Ventures Development, LLC
2930 East Camelback Road, Suite 215
Phoenix, AZ 85016
Attention: Ydenices Martinez

(Above Space for Recorder's Use Only)

GRANT DEED

TRANSFER TAX
NOT A PUBLIC RECORD

The undersigned grantor declares:

Documentary transfer tax is shown by an unrecorded separate affidavit pursuant to R&T Code § 11932
(X) computed on full value of property conveyed, or
( ) computed on full value, less value of liens and encumbrances remaining at time of sale.

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **WEST ADAMS INVESTMENT TRUST**, a Delaware statutory trust ("Grantor"), hereby GRANTS to **COMMUNITY IMPACT DEVELOPMENT II, LLC**, a Delaware limited liability company, the following described real property and all improvements thereon (the "Property") located in the County of Los Angeles, State of California:

SEE EXHIBIT 1ATTACHED HERETO AND INCORPORATED
HEREIN BY THIS REFERENCE

SUBJECT TO:

1. Taxes and assessments.

2. The matters disclosed on Exhibit 2 attached hereto and incorporated herein by this reference.

4

IN WITNESS WHEREOF, Grantor has caused this Grant Deed to be executed as of the 13 day of May, 2009.

GRANTOR:
WEST ADAMS INVESTMENT TRUST, A Delaware Statutory Trust

By: Joseph Haydel
Joseph Haydel, as Agent

By: INDYMEN RESTORATION GROUP, LP, as Agent

By:
Name: Kevin Johnson,
Title: Managing Partner

5

ACKNOWLEDGMENTS

State of California)
County of Los Angeles)

On May 13, 2009, 2009, before me, Jonathan L. Mayberry, Notary Public
(insert name and title of the officer)
personally appeared Joseph Haydel and Kevin Johnson,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

JONATHAN L. MAYBERRY
Commission # 1773944
Notary Public - California
Los Angeles County
My Comm. Expires Oct 18, 2011

Signature Jonathan L. May
(Seal)

State of California)
County of Los Angeles)

On _____, 2009, before me, _____,
(insert name and title of the officer)
personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature_____
(Seal)

EXHIBIT 1

LEGAL DESCRIPTION

PARCEL 1:

That portion of Block 18 of West Adams Heights, in the City of Los Angeles, as per map recorded in Book 2 Pages 53 and 54 of Maps, in the Office of the County Recorder of said County, lying Northerly of a line that is parallel with and distant Northerly 245 feet measured at right angles from the center line of Adams Boulevard, formerly Adams Street, as shown on said Map.

EXCEPT therefrom the Northerly 200 feet of said land.

ALSO EXCEPT that portion included within Western Avenue.

PARCEL 2:

The Westerly 121.80 feet of that portion of Block 18 of West Adams Heights, in the City of Los Angeles, as per map recorded in Book 2 Pages 53 and 54 of Maps, in the Office of the County Recorder of said County, lying Southerly of a line that is parallel with and distant Northerly 245 feet measured of right angles from the centerline of Adams Boulevard, formerly Adams Street, as shown on said map.

EXCEPT therefrom that portion included within Western Avenue.

7

EXHIBIT 2

PERMITTED EXCEPTIONS

The fact that the Property lies within the boundaries of the Normandie Redevelopment Project Area No. 5, as disclosed by the document recorded October 24, 1969 as Instrument No. 3777 and March 11, 1970 as Instrument No. 1596, both of the official records of the Office of the County Recorder of Los Angeles County, California.

4835-8630-9379.1

NOT FOR PUBLIC RECORD

Z30014

Documen [redacted] Date Recorded_____

STATEMENT OF [redacted]QUEST THAT TAX DECLARATION NOT BE MADE A PART OF THE PERMANENT RECORD IN THE OFFICE OF THE COUNTY RECORDER

(Pursuant to Section 11932 R & T Code and Section 12 of L.A. County Ord. No. 9443, as amended)

To: Registrar – Recorder / County Clerk
County of Los Angeles

Request is hereby made in accordance with the provisions of the Documentary Transfer Tax Act that the amount of tax due not be shown on the original document which names:

West Adams Investment Trust, a Delaware statutory trust
(Name of one Grantor or Lessor)

And

Community Impact Development II, LLC, a Delaware limited liability company
(Name of one Grantee or Lessee)

Property described in the accompanying document is located in

City of Los Angeles (44)
(Show name of City or unincorporated area)

The amount of tax due on the accompanying document is $ 43,965.00 City (80)

$ 10,747.00 County (44)

X Computed on full value of property conveyed

____ Or computed on full value less liens and encumbrances remaining at time of sale.

Jeanie Quintal

First American Title Insurance Company
National Commercial Services

NOTE: After the permanent record is made, this form will be affixed to the Conveying document and returned with it.

POSTED

EXHIBIT 25

ABELSON | HERRON LLP
Michael Bruce Abelson (State Bar No. 130739)
Lisa Von Eschen (State Bar No. 156798)
333 South Grand Avenue, Suite 1550
Los Angeles, California 90071-1559
Telephone: (213) 402-1900
Facsimile: (213) 402-1901
mabelson@abelsonherron.com
lvoneschen@abelsonherron.com

Attorneys for
Community Impact Development II, LLC

ORIGINAL FILED

DEC 2 1 2010

LOS ANGELES
SUPERIOR COURT

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

INSURANCE COMMISSIONER OF THE STATE OF CALIFORNIA, Applicant, v. GOLDEN STATE MUTUAL LIFE INSURANCE COMPANY, a California corporation, Respondent.	CASE NO. BS123005 Assigned to Hon. Ann I. Jones (Dept. 86) **STIPULATION AND [~~PROPOSED~~] ORDER REGARDING NON-REMOVAL OF LOBBY MURALS**

APPLICANT INSURANCE COMMISSIONER FOR THE STATE OF CALIFORNIA IN HIS STATUTORY CAPACITY AS CONSERVATOR ("Conservator") FOR GOLDEN STATE MUTUAL LIFE INSURANCE COMPANY ("Golden State") and COMMUNITY IMPACT DEVELOPMENT II, LLC. ("CID II") (collectively, the "Parties"), STIPULATE, AGREE AND REQUEST A COURT ORDER AS FOLLOWS:

WHEREAS, Golden State is an insurance company in conservation; and

WHEREAS, the Conservator asserts that Golden State owns two murals currently located in the building located at 1999 West Adams Boulevard, Los Angeles, California ("Building") and described as: "The Negro in California History – Exploration and Colonization" (1527 – 1850) by Charles Henry Alston (1907 – 1977) and "The Negro in California History – Settlement and Development" (1850 – 1949) by Hale Woodruff (1900 – 1980) (collectively, the "Murals"); and

WHEREAS, CID II is the owner of the Building and asserts that it owns the Murals; and

WHEREAS, on or about September 30, 2009, this Court (hereinafter, "Court") issued an Order Appointing Conservator And Restraining Order for Golden State and appointed the Insurance Commissioner of the State of California as Conservator of Golden State; and

WHEREAS, the Conservator has given notice to CID II of its intent to remove the Murals from the Building on or after December 22, 2010.

NOW, THEREFORE, the Parties stipulate, agree and propose:

(1) The Murals will remain in the Building until such time that the Court determines whether Golden State or CID II owns the Murals;

(2) The Conservator, Golden State and CID II each agree that by allowing the Murals to remain in the Building until such time that the Court determines whether Golden State or CID II owns the Murals, the Conservator and Golden State have not voluntarily parted with or relinquished control of the Murals and that the Conservator and Golden State continue to assert that Golden State is the rightful owner of the Murals;

//

(3) CID II shall make the Murals available to the Conservator, his staff, his representatives, invitees, consultant and successors, at all times. The Conservator will attempt to provide 24-hour notice to CID II;

(4) CID II shall make no changes to the Murals pending further order of the Court;

(5) CID II shall maintain the Murals in their current locations pending further order of the Court;

(6) CID II agrees to indemnify the Conservator and/or Golden State for any loss suffered by reason of damage to the Murals including without limitation theft, total destruction, partial destruction, damage, water damage, defacement, and costs of repairs, for the time period after the Conservator vacates the Building on or about December 31, 2010 until further agreement by the Conservator and CID II and/or order of the Court; and

(7) This Stipulation shall inure to the benefit of the Conservator and his successors and assigns including appointment of the Insurance Commissioner as liquidator of Golden State

Dated: December 20, 2010

ABELSON | HERRON LLP
Michael Bruce Abelson
Lisa Von Eschen

By Lisa Von Eschen
for Lisa Von Eschen
Attorneys for Community Impact Development II, LLC

//

//

//

//

//

//

DATE: December 20, 2010

EDMUND G. BROWN JR.
Attorney General of California
FELIX LEATHERWOOD
W. DEAN FREEMAN
Supervising Deputy Attorneys General
MARTA L. SMITH
Deputy Attorney General

EPSTEIN TURNER WEISS
A Professional Corporation

By: _____
MICHAEL R. WEISS
Attorneys for Applicant
INSURANCE COMMISSIONER OF THE STATE OF CALIFORNIA

IT IS SO ORDERED.

DATED: DEC 21 2010

ANN I. JONES
THE HONORABLE ANN I. JONES
Los Angeles Superior Court Judge

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am over the age of 18 and not a party to the within action; I am employed by Abelson | Herron, LLP in the County of Los Angeles at 333 South Grand Avenue, Suite 1550, Los Angeles, California, 90071-1559.

On December 20, 2010, I served the document below described as:

STIPULATION AND [PROPOSED] ORDER REGARDING NON-REMOVAL OF LOBBY MURALS

The document was served by the following means:

X **BY U.S. MAIL** I enclosed the document in sealed envelopes addressed to the persons at the addresses in the attached service list and placed the sealed envelopes for collection and mailing, following our ordinary business practices. I am readily familiar with this business's practice for collecting and processing correspondence for mailing. On the said date, they are deposited in the ordinary course of business with the United States Postal Service in sealed envelopes with postage fully prepaid.

I declare under penalty of perjury under the laws of State of California that the foregoing is true and correct.

Executed on December 20, 2010 at Los Angeles, California.

Soonja Bin

SERVICE LIST

Insurance Commissioner of the State of California v. Golden State Mutual Life Ins. Co.
LASC Case No.: BS123005

Marta L. Smith, Esq.
Deputy Attorney General
300 South Spring Street, Room 1702
Los Angeles, California 90013

Counsel for Applicant
INSURANCE COMMISSIONER
OF THE STATE OF CALIFORNIA

Michael R. Weiss, Esq.
EPSTEIN, TURNER & WEISS
633 West Fifth Street, Suite 3330
Los Angeles, California 90071

Counsel for Applicant
INSURANCE COMMISSIONER
OF THE STATE OF CALIFORNIA

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Laverock, Pennsylvania 19038

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Gardena, California 90247

James C. Harrison
3785 Sherbrook Court
College Park, Georgia 30349

Lonear W. Heard-Davis
4900 Lincolnshire Avenue
Buena Park, California 90701

Larkin Teasley
4581 Don Milagro Drive
Los Angeles, California 90008

Frederick E. Wadibia
11260 Overland Avenue #11A
Culver City, California 90230

Pension Benefit Guaranty Corporation
Attn: Jon Chatalian
1200 K Street NW
Washington D.C. 20005

Austin C. Moore, III, CLU
President
Golden State Mutual Life Alumni Association
3431 Pomona Boulevard, Suite D
Pomona, California 91768

Gloria Bell Edwards
1429 Thousand Oaks Boulevard
Albany, California 94706

EXHIBIT 26

00001

1 SUPERIOR COURT FOR THE STATE OF CALIFORNIA

2 FOR THE COUNTY OF LOS ANGELES - CENTRAL DISTRICT

3

4 INSURANCE COMMISSIONER OF THE)
STATE OF CALIFORNIA,)

5)
Plaintiff,)

6)
versus) No. BS 123005

7)
GOLDEN STATE MUTUAL LIFE INS.)

8 CO.,)
)

9 Defendants.)
_____)

10

11

12

13

14 DEPOSITION OF: ESSIE SAFAIE

15 TAKEN ON: Thursday, November 4, 2010

16

17

18

19

20 Reported by:

21 Lesli Keligian, RPR, CSR No. 6006

22

23

24

25

1 people involved.
2 Q Who were the other people?
3 A Hillary Henderson and Bob Nathan.
4 Q Okay. To your knowledge, prior to your and my
5 discussion in late 2009, are you aware of either one of
6 them having any discussions about the murals?
7 A No.
8 Q Do you understand that CID II is claiming
9 ownership of the murals at this time?
10 A Do I understand or do I know?
11 Q Either way. Do you know?
12 A I know, yes.
13 Q Okay. That CID II is making a claim to
14 ownership of the murals?
15 A Yes.
16 Q Okay. Do you have an understanding of what
17 that claim is based on?
18 MS. VON ESCHEN: Objection to the extent it
19 calls for attorney-client communications.
20 MS. YEE: Join.
21 BY MR. WEISS:
22 **Q Do you know the basis for the claim?**
23 **A The basis for claim is it was everybody's**
24 **understanding that a piece of real estate purchased that**
25 **comprise of walls and ceilings and floors, and -- and no**

1 one disclosed to us that mural does not belong to the
2 building.
3 Q So it was assumed that the murals were part of
4 the purchase?
5 A That is correct.
6 Q Assumed by CID II and its members?
7 A That's correct.
8 Q Okay. Did anybody -- other than our
9 conversation in late 2009, did anybody tell you that
10 that assumption is incorrect?
11 MS. VON ESCHEN: Objection.
12 MS. YEE: No attorney-client communications.
13 MR. WEISS: The reason both of them raised
14 their hand, any conversations you had with your
15 attorneys I'm not interested in. So I'm talking about
16 with other people.
17 If you know of any conversations, you can lean
18 over and you can say, "Look I know of a conversation,"
19 and she can help you figure out if it was an
20 attorney-client conversation.
21 You probably forgot the question as I did.
22 Can you read back the question for me, please.
23 (The record was read.)
24 BY MR. WEISS:
25 Q Did anybody -- other than our conversation and

1 **other than conversations you may have had with counsel,**
2 **did anybody tell you that your assumption that the --**
3 **that your assumption that the building included buying**
4 **the murals was wrong?**
5 **A No one told us.**
6 **Q No one told you murals don't come with the**
7 **building?**
8 **A That is correct.**
9 **Q No one told you that the murals belonged to the**
10 **tenant, which is the life insurance company?**
11 **A That is correct.**
12 **Q But no one told you that the murals do come**
13 **with the building?**
14 **A That is correct as well.**
15 Q You had mentioned that -- I think it was June
16 or July of this year -- that DVD withdrew from the LLC,
17 the DVD, LLC; is that accurate?
18 A Yes.
19 Q I'm not trying to put words in your mouth.
20 Does Dudley Ventures Development have any --
21 have any interest currently in the Golden State
22 building?
23 A Not to my knowledge, no.
24 Q Any -- any of Dudley Venture Development
25 members have any interest in the Golden State building?

1 A Just matter of negotiation back and forth. So
2 finally they came -- we walked away from the project.
3 They came back to us.
4 **Q The $9,770,000 purchase price that's in**
5 **Section 3, did that specifically include a value for the**
6 **murals?**
7 **A Again, we bought a package deal, so we did not**
8 **segregate.**
9 **Q You didn't segregate?**
10 **A Yes.**
11 **Q And you didn't have a separate value for the**
12 **murals?**
13 **A Correct.**
14 Q Okay. And, then, in section 5 it's titled
15 "Lease" on Page 2.
16 A Uh-huh.
17 Q It says,
18 "Buyer acknowledges that the tenant, as
19 defined in the purchase agreement, holds
20 a leasehold interest in the property,
21 and buyer agrees that its purchase of
22 the property shall be subject to such
23 lease."
24 Do you see that?
25 A Uh-huh.

1 MR. WEISS: Thank you.

2 (A brief recess was taken.)

3 BY MR. WEISS:

4 Q You had mentioned that you know Peyton Hall?

5 A Yes.

6 Q Do you know if he did -- it's a yes-or-no

7 question.

8 Do you know if he did a report of any kind

9 within the last year about the murals?

10 A I know he went to the property, but I haven't

11 seen any report from him.

12 Q Okay. So you don't know if he's done one?

13 A I don't know.

14 Q Do you know if anybody affiliated with him has

15 done any kind of report?

16 A Don't know.

17 Q Do you know if anybody has done a report on the

18 murals?

19 A I don't know.

20 Q Or analysis of any kind?

21 A I haven't seen anything.

22 MS. VON ESCHEN: Objection to the extent it

23 calls for attorney work product to be revealed.

24 BY MR. WEISS:

25 **Q You had mentioned that you did financial**

1 analyses for the purchase of the building.
2 A Yes.
3 Q Did you calculate -- did you calculate a
4 purchase price for the building, what you believed it to
5 be worth?
6 A I did pro forma financial analysis for the
7 building, so it had nothing to do with the pro forma --
8 with the mural.
9 Q Is that -- you did what the income stream would
10 be on the building?
11 A That is correct.
12 Q Okay. What were the assumptions that you made
13 for that income stream?
14 A The rental income versus what is my mortgage
15 payment and does the property break even or no.
16 Q Owe. The rental income, was that under the
17 lease with Golden State?
18 A Yes, lease with Golden State or comparable rent
19 in the neighborhood.
20 MR. WEISS: Okay. Can you read back his
21 earlier answer for me.
22 (The record was read.)
23 BY MR. WEISS:
24 Q So the rental income, did you do it -- was
25 there an actual analyses based on the actual rental

1 income that Golden State Life Insurance Company was
2 paying?
3 A Yes.
4 Q Okay. Did that analyses -- that pro forma, did
5 that ultimately generate what you believed to be a
6 purchase price if the insurance company stayed?
7 A Yes.
8 Q Okay. Do you remember what that purchase price
9 was?
10 A I came to the same number that appraisal
11 came -- appraiser, 9.7.
12 Q Okay. All right. Earlier we had talked about
13 a 10.3 appraisal?
14 A Correct. No, that wasn't appraisal. That was
15 a suggested price, but it was not supported with the
16 appraisal. The appraisal report was 9.7.
17 Q Okay. I thought the offered price was
18 14.5 million?
19 A Originally, yes -- asking price was 14, yes.
20 Q Okay. And, then, the price had dropped to
21 10.3 million?
22 A That's correct.
23 Q And I thought that drop was based on an
24 appraisal?
25 A That was internally ourself did some analysis

1 and thought 10.3, and then appraiser came and came in
2 with 9.7, so we decided to drop the deal December 31st.
3 And they came back in April of that year to renegotiate
4 to 9.7.
5 Q Let's take the 10.3 first.
6 A Uh-huh.
7 Q On the 10.3 million, was that your analysis of
8 what --
9 A It was close to my numbers, yes. It was not
10 exactly my number. It was close to my number.
11 Q Okay. Who came up with the 10.3 figure?
12 A I wasn't involved. Either Mr. Henderson or
13 Nori, they been in negotiation with the seller, so they
14 came with that 10.3 agreed.
15 Q I understand what was agreed to. But I thought
16 you had said that there was some analysis that was done
17 that Dudley Ventures Development or CID II concluded
18 that the actual value of the building was 10.3 million.
19 A Correct.
20 Q Okay. Not what was agreed to, but that you had
21 somehow calculated a value of 10.3 million?
22 A That's right.
23 Q How did -- who -- who calculated that value of
24 10.3?
25 A My number came very close to 10.3, but the

1 partners among themselves, they discussed to go back and
2 throw the 10.3 to them. If they're agreeing or disagree
3 because the difference between 14.5 and 10.3 is big, so
4 we thought they may not accept our offer.
5 Q Right.
6 A They walk away from.
7 Q Okay. Did somebody come to you and say,
8 "Essie, please calculate what you think the building is
9 worth"?
10 A No. That's my job, so no one asked me.
11 Q Okay. And then you provided that amount to
12 your superiors?
13 A That's right.
14 Q Who then determined whether or not they liked
15 it or what number they would go back to --
16 A Correct.
17 Q -- the seller with?
18 A Correct.
19 Q Okay. So how did you calculate the 10.3?
20 A Well, I usually work backward, so assumption
21 was I'm going to collect this much rent from this
22 tenant, existing tenant, or if he moves out, someone
23 comparable market rate, and take that minus the
24 operating expenses, come up with the NOI, and add the
25 market cap rate of seven. I work backward, and I came

1 with the maximum price that this building will go on the
2 income basis will be somewhere around 10.3. It wasn't
3 exactly 10.3, but it was close to that number. I don't
4 remember what is number.
5 Q So you did an income-based calculation to get
6 to 10.3?
7 A That's true.
8 Q Was it -- your 10.3 number solely based on
9 income calculation?
10 A Correct.
11 Q Now let's move -- okay. So you come up with
12 approximately 10.3, you provided that to your superiors
13 who then take that -- decide on 10.3 to go to the
14 sellers and say, "We'll pay 10.3"?
15 A Okay.
16 Q Okay. Then an appraisal came in?
17 A That is correct.
18 Q And the appraisal was the $9,770,000?
19 A Correct.
20 Q Who did that appraisal?
21 A CB Richard Ellis. Their appraisal department
22 of the CB Richard Ellis.
23 Q Was it a written appraisal?
24 A Yes.
25 Q And you've seen it?

1 **A Yes.**

2 **MR. WEISS: My request is for a copy of the**

3 **appraisal. I'll just make the request that I'd like a**

4 **copy of the appraisal.**

5 **Q Your analysis for the 10.3, was that a written**

6 **analysis?**

7 **A I did numerous, so I have to go see if I have**

8 **it because based on a lot of assumptions, I was doing**

9 **different calculation, but at that point, I can find an**

10 **analysis that in my computer. I have to go search for.**

11 **I did, like, so many at different times, different**

12 **assumptions.**

13 MR. WEISS: Okay. My request is pursuant to

14 the subpenas that the appraisal by CB Richard Ellis be

15 produced and that in electronic format his analysis be

16 produced.

17 THE WITNESS: Right.

18 BY MR. WEISS:

19 Q I'm assuming they are in electronic format?

20 A Yes, it is in computer. I have to go search

21 and forward it to you.

22 Q Okay. So do you know the basis -- how did --

23 let me ask a good question.

24 For the CB Richard Ellis appraisal that they

25 came to $9.77 million value for the building, was that

1 based on an income analysis?
2 A I believe they did three different approach, so
3 it's in the appraisal report.
4 Q What are the --
5 A Comp, comparable, and neighborhood income
6 approach, and I believe there's another approach, two or
7 three different method. And they came with that -- that
8 determination. And they were close to each other. One
9 was 9.4, one was 9.7.
10 Q And income was in there?
11 A Yeah.
12 Q Do you recall if in the CB Richard Ellis
13 appraisal there was any reference to the murals?
14 A I don't recall. I don't remember.
15 Q Do you recall in your analysis that came up
16 with the 10.3 value that you brought in the murals?
17 A No, I did not.
18 Q You didn't use the murals as an assumption?
19 A No, because I was just doing the income
20 approach.
21 Q Okay. The -- the appraisal price and the
22 purchase price are the same, 9,770,000?
23 A Very close, yes.
24 Q After the appraisal came in -- do you recall
25 when the appraisal was done?

1 A I don't remember exact date, but it was around
2 the time that we dropped a deal because we couldn't
3 reach an agreement with them.
4 Q The time you canceled the deal?
5 A Yes.
6 Q And I know we covered this a little bit. So
7 you had an agreement contingent upon an appraisal at
8 10.3 million?
9 A Correct.
10 Q The appraisal comes in at $9,770,000. Did you
11 or somebody with CID II go to the sellers and say,
12 "Well, the price we'll pay is 9.77 million"?
13 A I believe someone from CID, but it wasn't me.
14 Q And it was your understanding that you couldn't
15 reach agreement at that point in time?
16 A Correct.
17 Q And is it your understanding that at some
18 future point in time, the sellers came back to you and
19 said, "We'll accept the $9.77 million"?
20 A Correct.
21 Q So I got the sequence correct?
22 A That's right.
23 Q So the purchase price was basically exactly the
24 appraisal price?
25 A Close to each other. I don't know exactly, but

1 close to each other, 9.7 something.
2 Q And from your side of the table, you weren't --
3 CID II wasn't going to pay more than the appraisal?
4 A Correct.
5 Q Did you -- did you read the appraisal from
6 CB Richard Ellis?
7 A Not all the pages, but --
8 Q You evaluated it?
9 A -- pages that related to me to analyze the
10 property. So take the number and compare to my
11 financial analysis to see if I'm coming close to their
12 number.
13 Q Okay. Did you redo your analysis once you got
14 the appraisal?
15 A I redid my analysis, yeah --
16 Q And where did --
17 A -- to rely on their number more because they
18 had done market study, and I didn't have the market
19 study. So I tried to rely on third party's number
20 rather than my own number.
21 Q What was your final analysis of the value of
22 the building?
23 A That was the point of satisfaction, 9.7.
24 Q That was your final analysis?
25 A Yes.

1 Q 9.7 million?
2 A Yeah.
3 Q And did you redo your pro formas after you got
4 the CB Richard Ellis appraisal?
5 A I believe I worked on it, so I don't know to
6 what degree because there was so many reports I
7 prepared, so I don't recall right after the appraisal
8 came what I did with the report.
9 Q Was your final analysis on the value of the
10 building, was that based on an income approach?
11 A Yes.
12 Q And in your final analysis, did you include
13 anything with respect to the murals?
14 A No.
15 Q Do you know if in the discussions between the
16 buyer and the seller that as to the final purchase
17 price, the 9.7 million purchase price, if there was any
18 discussion with respect to the value for the murals?
19 A Not to my knowledge.
20 Q Any discussion with the murals whatsoever?
21 A Not to my knowledge.
22 Q Are you aware of any claims that may have been
23 made with respect to the murals to a title company?
24 A Not to my knowledge.
25 Q You don't know if Dudley Ventures or Dudley

1 CB Richard Ellis?

2 A At least there was, like, two people that they

3 were requesting information, but I don't remember the

4 name.

5 Q Do you know if they have a group name within

6 CB Richard Ellis?

7 A I don't -- don't know. We can get that

8 information, but I don't have it.

9 Q Okay. Other than CB Richard Ellis and

10 yourself, do you know if anybody else did any kind of

11 appraisal or valuation analysis of the building?

12 A Not to my knowledge.

13 MR. WEISS: Hold on a second.

14 (An off-the-record discussion was held.)

15 BY MR. WEISS:

16 **Q When you did your analyses -- and I'm saying**

17 **"analyses" because it seems like there was a couple, one**

18 **for 10.3, one for 9.7 -- analyses for the value of the**

19 **building, did you include any insurance expense for the**

20 **murals?**

21 **A The mural was not a factor in the determination**

22 **of the price.**

23 (An off-the-record discussion was held.)

24 MR. WEISS: You're in luck. I'm out of

25 questions.

EXHIBIT 27

00001

1 SUPERIOR COURT OF THE STATE OF CALIFORNIA

2 FOR THE COUNTY OF LOS ANGELES

3

4 INSURANCE COMMISSIONER OF THE)
STATE OF CALIFORNIA,)

5)
Applicant,)

6)
vs.) No. BS123005

7)
GOLDEN STATE MUTUAL LIFE) VOLUME I

8 INSURANCE COMPANY, a California)
corporation,) (Page 1 to 96)

9)
Respondent.)

10 _____)

11

12

13 DEPOSITION OF: NORMAN HARROWER III

14 (PMK OF GENESIS LA AND CID II)

15 TUESDAY, NOVEMBER 2, 2010

16 10:06 A.M.

17

18 REPORTED BY: ANNA M. HORTON

19 CSR No. 6950, RPR

20

21

22

23

24

25

1 Q Okay. Do you recall what that -- other than
2 the murals being a subject, what the subject of the
3 conversation was?
4 A The subject of the conversation was that
5 historic nature of the building and its contents as part
6 of a legacy to that community, not that we felt that the
7 building was the greatest building for the tenant
8 because it certainly wasn't, but it had this historic
9 impact, and therefore, we felt it's architect and the
10 artwork and the building, the murals were an important
11 factor in what we were trying to accomplish here, which
12 was to renovate, to bring back the old neighborhood and
13 to make everybody there proud of what was going on
14 again. That was the context of it.
15 Q Was the conversation something to the effect
16 of, "Look at these murals, how great they are"? Is that
17 kind of the context?
18 A No. I think it was more of the history of the
19 building itself.
20 Q Okay. Not specific to the murals, more like
21 the whole building?
22 A Well, the architect of the building, the
23 tenant, its involvement in the history of that location,
24 and the artwork that was there.
25 **Q Okay. At any point in time, did anyone tell**

1 **you the murals come with the building, with the purchase**
2 **of the building? Let me ask a better question.**
3 **At any point in time, did anyone tell you that**
4 **the purchase of the building includes the murals?**
5 **A I don't believe so.**
6 **Q At any point in time did anybody tell you that**
7 **the purchase of the building does not come with the**
8 **murals?**
9 **A No.**
10 Q Who were the people when Morgan Stanley came
11 out? I realize that's an entity. Who were the people
12 with Morgan Stanley if you recall?
13 A Ricardo Rodriguez. I could get you the other
14 names. I don't remember offhand. I'm sorry. I just
15 forgot their names. They're no longer with Morgan
16 Stanley. But I could certainly get the names of who
17 came out if you like.
18 Q The --
19 A There were several. I think two others. I
20 just have to go back and dig up their names for you. If
21 you would like me to, I would be happy to do that.
22 Q Okay. I would request through counsel if that
23 could be provided after the deposition.
24 It's 11:00 o'clock. Are we thinking of taking
25 a break?

EXHIBIT 28

00001

1 SUPERIOR COURT OF THE STATE OF CALIFORNIA

2 FOR THE COUNTY OF LOS ANGELES

3

4 INSURANCE COMMISSIONER OF THE) No. BS123005
STATE OF CALIFORNIA,)

5)
Applicant,)

6)
vs.)

7)
GOLDEN STATE MUTUAL LIFE INSURANCE)

8 COMPANY, a California corporation,)
)

9 Respondent.)
_____)

10

11

12

13

14

15 DEPOSITION OF:

16

17 MARK STEVEN MONIZ

18 Monday, December 6, 2010

19 9:05 a.m.

20

21

22

23 Reported by:

24 MONICA T. VOGELBACHER

25 CSR No. 6406

1 James. Denise Martinez helped out with a lot of
2 information. I guess -- oh, Mike Dupuy, that's actually
3 who I -- I don't believe I ever spoke with Mr. Howard,
4 but Mike Dupuy - D-u-p-u-y - he and Essie are who I dealt
5 with the most in terms of what did they want us to do for
6 the assignment, and Denise seemed to handle getting us
7 whatever information was available.
8 Q Okay. So Essie contacted you to -- I'm asking,
9 did Essie contact you to do the appraisal?
10 A Yeah, I believe it was he who made that phone
11 call to do it. It might have been Mike. You know,
12 again, I'm not really sure. And the jobs -- some of the
13 work -- we did some other -- we appraised some other
14 properties for them prior to this one, relatively in the
15 same several-month time span. One of the managers at my
16 office was responsible for bringing that work in. They
17 contacted him, they did the contracts, and then the work
18 was assigned out to me.
19 Q Do you remember going to the building?
20 A Yes.
21 Q What do you remember about visiting the
22 building?
23 A I mean, again, it's pretty vague. Is there
24 anything, again, you want me to focus on?
25 **Q Do you remember the murals on the first floor?**

1 A I do. I took pictures of them. And -- yeah. I
2 took a couple of pictures of them. I didn't think --
3 didn't pay any particular attention to them, didn't
4 investigate whether they were attached to the wall,
5 whether they were painted on the building or whether they
6 were paintings that could be removed. In, you know,
7 visually inspecting them, I assumed that they were
8 attached to the wall, that they were part of the real
9 estate.
10 Q Did you --
11 A Like, painted to the wall.
12 Q Did you provide any value to them?
13 A No. We didn't provide any kind of separate
14 value.
15 Q Either in 2008 or the revised in 2009?
16 A Correct. It never came up.
17 Q Did anybody discuss the murals with you at that
18 time?
19 A No.
20 Q Has anybody -- other than -- when were you first
21 advised that there was an issue with respect to the
22 murals, for purposes of your deposition here?
23 A Roughly, after we were subpoenaed.
24 Q Okay.
25 A Within a couple of days of the subpoena. The

1 subpoena came in to our legal department. They contacted
2 me about getting them files.
3 Q Sometime in November.
4 A Yeah.
5 Q Okay. Before November, did you discuss the
6 murals with anybody?
7 A No.
8 Q Not with respect to the appraisal or --
9 A At all.
10 Q Was anybody with you on your tour of the
11 building?
12 A No. I was given somebody on site to introduce
13 myself to, and they just told me to go wander around.
14 Q So you wandered around on your own?
15 A Yes.
16 Q Did you discuss the building with anybody on --
17 let me back up.
18 How many times have you been to the building?
19 A I've been inside the building once. I've been
20 back to the building, in the general area, half a dozen,
21 dozen times, either follow-up pictures, or something like
22 that, for this report, or as part of the other properties
23 around there that we appraised.
24 Q Any of those half dozen to a dozen times concern
25 the murals?

1 **A No. The murals have never come up until the**
2 **subpoena.**
3 Q Okay. Just to be clear, the murals we're
4 talking about, are they the two murals on the inside of
5 the lobby?
6 A What I have assumed that we're talking about -
7 actually, it's a good question - is, yes, inside the
8 lobby, on either side, at the top of the lobby, where
9 they're basically at eye level from a kind of mezzanine
10 level there, they're at the very top of the lobby.
11 In fact, the artwork on one of them, at least,
12 extends over a door, into some other office space on that
13 mezzanine level.
14 Q Do you remember that from your visit?
15 A I remember that from looking at the pictures,
16 when this came up.
17 Q Do you actually have color pictures?
18 A They'd be on the disk that you guys have. I
19 don't have them printed out in here.
20 Q The disk contained black and white photocopies?
21 A You should have received a disk. Well, somebody
22 received a disk with all of our electronic files.
23 Q Yes, we did, but they weren't color photographs,
24 they were just black and white copies.
25 MR. WEISS: Did you have --

1 A On the inside.

2 Yes. Well, we noted that there was artwork in

3 the lobby, assumed that it was attached as part of the

4 real estate, and our value conclusions considered that.

5 If the artwork was by a famous artist and extremely

6 valuable in and of its own right, we weren't made aware

7 of that. We just considered it as some decoration in the

8 lobby. And the value of that decoration, again,

9 without -- in our opinion, based on just simply as art on

10 the wall, was considered in our rental rate conclusion

11 and our sales comparison approach.

12 **Q How was it considered?**

13 **A It's considered because -- it's just part of the**

14 **overall property. I mean, when you walk into a lobby in**

15 **a building, we're not valuing every bit of tile or the**

16 **wood that they use on the security desk, or that sort of**

17 **thing. It's -- you know, the lobby has a general**

18 **attractiveness and functionality to it, and that's really**

19 **what was influencing our conclusions as far as rental**

20 **rates and its value and sales comparison approach.**

21 **There was no thought that the murals added or**

22 **detracted in any significant way from the value of the**

23 **property. In other words, if there was just white walls,**

24 **our conclusions would have been the same.**

25 **Q Okay, that's what I'm getting at.**

1 **A Yes.**

2 **Q Whether it's a mural on the wall or white wall,**

3 **under the sales comparison approach, the conclusion would**

4 **have been the same.**

5 **A Correct.**

6 **Q And under the income approach, the conclusion**

7 **would have been the same.**

8 **A Correct.**

9 **Q So there's no added value or subtraction value**

10 **for the artwork, whether it's murals or something else in**

11 **the building.**

12 **A Correct.**

13 Q Do you remember the purpose of the appraisal, if

14 it has specific purpose?

15 A Our client was acquiring properties in the area.

16 Without -- I don't think we were given a very specific

17 description of what they were doing, but they were

18 generally trying to assemble properties for some kind of

19 redevelopment.

20 Q Okay.

21 A That was my understanding, at least.

22 Q Take a look at what is page 2 or page 3. Let me

23 make sure I've got the right one here.

24 It would be page 3. It would be Bates numbered

25 CBRE0003. And there's a second full paragraph, which

1 included what we thought was the impact of the murals on
2 the rent and on the value of the property based on their
3 aesthetics.
4 **Q We talked about, earlier, that if it was a white**
5 **wall or a mural, that there would be no difference.**
6 **A Right. So it was included, it just wasn't a**
7 **significant impact.**
8 **Q Okay, so it had no value, no monetary value.**
9 **A Correct, in our report. That's what I meant by**
10 **if it was just a white wall, if it was a mural, our**
11 **rental rate conclusions would have been the same, our**
12 **sale comparison conclusions would have been the same.**
13 Q Okay. I believe the lease you're reading from
14 your notes is the same marked CBRE1004 through 1040, and
15 I'd like to mark it as an exhibit.
16 Maybe if you could take a look and just confirm
17 that that's the same document.
18 A Yes.
19 MR. WEISS: Okay. Let's mark that Exhibit 4.
20 (Applicant Exhibit 4 was marked
21 for identification by the reporter.)
22 BY MR. WEISS:
23 Q Okay. Other than doing an appraisal, was CB
24 Richard Ellis, to your knowledge, involved in the
25 purchase of the building?

EXHIBIT 29

AGREEMENT OF PURCHASE AND SALE

This Agreement of Purchase and Sale ("Agreement") is made and entered into by and between Buyer and Seller.

RECITALS:

A. Defined terms are indicated by initial capital letters. Defined terms shall have the meaning set forth herein, whether or not such terms are used before or after the definitions are set forth.

B. Buyer desires to purchase the Property and Seller desires to sell the Property, all upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual terms, provisions, covenants and agreements set forth herein, as well as the sums to be paid by Buyer to Seller, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Buyer and Seller agree as follows:

ARTICLE 1

BASIC INFORMATION

1.1 Certain Basic Terms. The following defined terms shall have the meanings set forth below:

1.1.1 Seller: West Adams Investment Trust.

1.1.2 Buyer: COMMUNITY IMPACT DEVELOPMENT I, LLC, a Delaware limited liability company.

1.1.3 Purchase Price: $14,500,000.

1.1.4 Earnest Money: (i) $250,000 (the "Initial Earnest Money") to be deposited in accordance with Section 3.1 below, and (ii) to be increased by $250,000 (the "Additional Earnest Money") in accordance with Section 3.1 below to $500,000 (in the aggregate), plus interest thereon (collectively, the "Earnest Money").

1.1.5 Title Company: First American Title Insurance Company
520 North Central Ave.
Glendale, CA 91203
Attention: Anthony Rivera
Telephone: (818) 242-5800 x5589
Facsimile: (818) 242-0877

1.1.6 Escrow Agent: North American Title
21800 Burbank Blvd. Suite 100
Woodland Hills, CA. 91367
Attention: Mike Mahoney
Telephone: (800) 668-4853
Facsimile: (818) 836-8118

1.1.7 Broker: Daron Campbell – RE/MAX Commercial

1.1.8 Effective Date: The date on which this Agreement is executed by the latter to sign of Buyer or Seller, as indicated on the signature page of this Agreement.

1.1.9 Title and Survey Review Period: The period beginning on the Effective Date and ending on July 14, 2008.

1.1.10 Inspection Period: The period beginning on the Effective Date and ending on July 14, 2008.

1.1.11 Closing Date: The date that is ninety (90) days after the expiration or earlier waiver of the Inspection Period.

1.2 Closing Costs. Closing costs shall be allocated and paid as follows:

Cost	**Responsible Party**
PTR required to be delivered pursuant to Section 5.1	Seller
Premium for ALTA Standard Coverage Owner's Policy of Title Insurance required to be delivered pursuant to Section 5.5	Buyer
Premium for any costs of Title Policy attributable to ALTA Extended Coverage and any endorsements desired by Buyer, any inspection fee charged by the Title Company, tax certificates, and any other nominal Title Company charges	Buyer
Costs of any revisions, modifications or recertifications of the Existing Survey	Buyer
Costs for UCC Searches	Buyer
Recording Fees	Buyer
Any county and city documentary transfer taxes	Buyer
Any escrow fee charged by Escrow Agent for holding the Earnest Money or conducting the Closing	50% Seller/50% Buyer
Real Estate Sales Commission to Broker	Seller
All other closing costs, expenses, charges and fees	In accordance with the custom in Los Angeles County, California (except each party shall pay its own

	attorneys' fees)

1.3 Notice Addresses:

Seller: West Adams Investment Trust
14724 Ventura Blvd. Suite 600,
Sherman Oaks, CA 91403
Attention: Joe Haydel
Facsimile: 818-907-8484

Buyer: COMMUNITY IMPACT DEVELOPMENT I, LLC
c/o DVD CID I, LLC
2930 East Camelback Road
Suite 215
Phoenix, AZ 85016
Attention: James D. Howard, Jr.
Facsimile: 602-468-2775

Copy to: Allen, Matkins, Leck, Gamble Mallory & Natsis LLP
515 South Figueroa Street, Ninth Floor
Los Angeles, California 90071-3398
Attention: Michael J. Kiely
Telephone: (213) 622-5555
Facsimile: (213) 620-8816

ARTICLE 2

PROPERTY

2.1 Subject to the terms and conditions of this Agreement, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the following property (collectively, the "Property"):

2.1.1 Real Property. The land described in Exhibit A attached hereto (the "Land"), together with (i) all improvements located thereon ("Improvements"), (ii) all and singular the rights, benefits, privileges, easements, tenements, hereditaments, and appurtenances thereon or in anywise appertaining thereto, and (iii) without warranty, all right, title, and interest of Seller, if any, in and to all strips and gores and any land lying in the bed of any street, road or alley, open or proposed, adjoining such Land (collectively, the "Real Property").

2.1.2 Leases. All of Seller's right, title and interest, without warranty, in all leases, license agreements and other occupancy agreements of the Real Property, including leases and license agreements which may be made by Seller after the Effective Date and prior to Closing as permitted by this Agreement (collectively, the "Leases").

2.1.3 Tangible Personal Property. All of Seller's right, title and interest, without warranty, in the equipment, machinery, furniture, furnishings, supplies and other tangible personal property, if any, owned by Seller and now or hereafter located in and used in connection with the operation, ownership or management of the Real Property, but specifically excluding any items of personal property owned by tenants at or on the Real Property and further excluding any items of personal property owned by third parties and leased to Seller under disclosed leases (collectively, the "Tangible Personal Property").

2.1.4 Intangible Personal Property. All of Seller's right, title and interest, if any, without warranty, in all intangible personal property related to the Real Property and the Improvements, including, without limitation, all to the extent assignable: all trade names and trade marks associated with the Real Property and the Improvements, including the name of the Real Property; the plans and specifications and other architectural and engineering drawings for the Improvements, if any; warranties, if any; contract rights related to the construction, operation or management of the Real Property including maintenance, service, construction, supply and equipment rental contracts, if any but not including Leases (collectively, the "Service Contracts") (but Seller's right, title and interest therein shall only be assigned to the extent Seller's obligations thereunder are expressly agreed to be assumed by Buyer pursuant to this Agreement, it being acknowledged and agreed that Seller shall cause all Service Contracts to be terminated prior to the Closing except as expressly provided in Section 4.7 below); governmental permits, approvals and licenses, if any; telephone exchange numbers; development rights, agreements and applications, signage applications, rights and permits, water rights and water stock; but excluding all proprietary information of Seller and its managing agent including computer software and related licenses and appraisals, marketing plans, business plans, property appraisals, and other internally-generated information reasonably intended by Seller to remain confidential or proprietary (collectively, the "Intangible Personal Property").

2.1.5 Security Deposits. All of Seller's right, title and interest in and to all refundable security deposits of tenants of the Real Property held and not applied by Seller pursuant to the terms of the applicable Leases (collectively, the "Security Deposits").

ARTICLE 3

EARNEST MONEY

3.1 Deposit and Investment of Earnest Money. Within two (2) business days after the Effective Date, Buyer shall deposit with Escrow Agent the Initial Earnest Money in cash by wire transfer to Escrow Agent of immediately available U.S. federal funds. If upon the expiration of the Inspection Period, this Agreement is still in force and effect, Buyer shall, within two (2) business days following the last day of the Inspection Period, deposit with Escrow Agent the Additional Earnest Money, if any, as specified in Section 1.1.4 above. Escrow Agent shall invest the Earnest Money in government insured interest-bearing accounts satisfactory to Seller and Buyer, shall not commingle the Earnest Money with any funds of Escrow Agent or others, and shall promptly provide Buyer and Seller with confirmation of the investments made. Such account shall have no penalty for early withdrawal, and Buyer accepts all risks with regard to such account.

3.2 Failure to Deposit. If Buyer fails to timely deposit the Earnest Money within the time periods required, Seller may terminate this Agreement by prior written notice to Buyer, in which event the parties hereto shall have no further rights or obligations hereunder, except for rights and obligations which, by their terms, survive the termination hereof.

3.3 Disposition of Earnest Money. If the Closing occurs, the Earnest Money shall be applied as a credit to the Purchase Price at Closing. The Initial Earnest Money (and upon the expiration of the Inspection Period if Buyer has not theretofore terminated this Agreement

pursuant to Sections 4.5 or 5.3, the Additional Earnest Money) shall be non-refundable to Buyer for any reason whatsoever, except and only if:

3.3.1 this Agreement is terminated by Buyer prior to the expiration of the Inspection Period pursuant to Sections 4.5 and/or 5.3 of this Agreement, in which case Escrow Agent shall return the Initial Earnest Money then held by Escrow Agent to Buyer within one (1) business day following such termination by Buyer. No notice to Escrow Agent from Seller shall be required for the release of the Initial Earnest Money to Buyer by Escrow Agent if Buyer terminates this Agreement pursuant to Section 4.5; and

3.3.2 if this Agreement is terminated by Buyer pursuant to Sections 5.5, 6.2, 6.3, 7.2 or 10.2 of this Agreement, in which case the Earnest Money previously deposited and/or delivered by Buyer shall be returned to and retained by Buyer.

Notwithstanding anything to the contrary set forth in this Agreement, the Earnest Money shall be held by Escrow Agent and shall not be disbursed to either Buyer or Seller prior to the Closing or the cancellation or termination of this Agreement in accordance with its items.

ARTICLE 4

DUE DILIGENCE

4.1 Due Diligence Materials. Prior to execution of this Agreement, Seller delivered to Buyer or otherwise made available to Buyer and Buyer received copies of those documents listed on Exhibit B attached hereto ("Property Information"). In addition, during the Inspection Period and following at least twenty-four (24) hours' prior telephone or written notice from Buyer, Seller agrees to allow Buyer, its authorized agents or representatives, at Buyer's expense, to inspect at the Real Property and at Seller's office and make copies of any other documents and property records (other than the Excluded Documents, as defined below) relating exclusively to the ownership, operation and maintenance of the Property, but only if and to the extent such documents and property records are in Seller's possession ("Additional Property Information"). All of such Property Information and Additional Property Information delivered to, made available to, copied and/or reviewed by Buyer pursuant to this Section 4.1 (including all Leases and Service Contracts) shall sometimes be referred to collectively herein as the "Property Documents". Notwithstanding anything in this Section 4.1 to the contrary, Seller shall have no obligation to make available to Buyer, and Buyer shall have no right to inspect or make copies of, any of the Excluded Documents. As used herein, "Excluded Documents" shall mean any documents involving either Seller's financing or refinancing of the Property, any purchase and escrow agreements and correspondence pertaining to Seller's acquisition of the Property (other than documents pertaining to the physical or environmental condition of the Real Property), any documents pertaining to the potential acquisition of the Property by any past or prospective purchasers (other than documents relating to the physical or environmental condition of Real Property), any third party purchase inquiries and correspondence, internal (but not operations or capital) budgets or financial projections (other than operating statements for the Property), and any other internal documents (other than documents consisting of correspondence or notices to and from the tenants or documents relating to the physical or environmental condition of the Real Property).

4.2 [Intentionally Omitted]

4.3 Physical Due Diligence. Commencing on the Effective Date and continuing until the Closing (or earlier termination of this Agreement), Buyer shall have reasonable access to the Real Property at all reasonable times during normal business hours, upon appropriate notice to tenants as permitted or required under the Leases, for the purpose of conducting reasonably necessary tests, including surveys and architectural, engineering, geotechnical and environmental inspections and tests, provided that (i) Buyer must give Seller twenty-four (24) hours' prior telephone or written notice of any such inspection or test, and with respect to any intrusive inspection or test (i.e., core sampling) must obtain Seller's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed), (ii) prior to performing any inspection or test, Buyer must deliver a certificate of insurance to Seller evidencing that Buyer and its contractors, agents and representatives have in place reasonable amounts of commercial general liability insurance and workers compensation insurance for its activities on the Real Property on terms and in amounts reasonably satisfactory to Seller covering any accident arising in connection with the presence of Buyer, its contractors, agents and representatives on the Real Property, which insurance shall name Seller as an additional insured thereunder, and (iii) all such tests shall be conducted by Buyer in compliance with Buyer's responsibilities set forth in Section 4.10 below. Buyer shall bear the cost of all such inspections or tests and shall be responsible for and act as the generator with respect to any wastes generated by those tests. Subject to the provisions of Section 4.8 hereof, Buyer or Buyer's representatives may meet with any tenant; provided, however, Buyer must contact Seller at least twenty-four (24) hours in advance by telephone or fax to inform Seller of Buyer's intended meeting and to allow Seller the opportunity to attend such meeting if Seller desires. Subject to the provisions of Section 4.8 hereof, Buyer or Buyer's representatives may meet with any governmental authority for any good faith, reasonable purpose in connection with the transaction contemplated by this Agreement; provided, however, Buyer must contact Seller at least twenty-four (24) hours in advance by telephone or fax to inform Seller of Buyer's intended meeting and to allow Seller the opportunity to attend such meeting if Seller desires.

4.4 Estoppel Certificates. Seller shall make good faith efforts to obtain and deliver to Buyer, at least one (1) business day prior to the expiration of the Inspection Period a tenant estoppel certificate from Golden State Mutual Life Insurance Company (the "Tenant"), currently the sole tenant at the Property, substantially in the form of Exhibit G attached hereto. In the event Seller is unable to obtain such tenant estoppel certificate or Buyer is not satisfied, in Buyer's sole and absolute discretion, with the form or content of such tenant estoppel certificate, Buyer may elect to terminate this Agreement by giving the Due Diligence Termination Notice described in Section 4.5 on or before the last day of the Inspection Period. Seller shall not be obligated to expend any funds in connection with obtaining any such tenant estoppel certificate, and the failure of Seller to obtain any such tenant estoppel certificate shall not be a breach or default hereunder so long as Seller makes good faith efforts to obtain them.

4.5 Due Diligence/Termination Right. Buyer shall have through the last day of the Inspection Period in which to (i) examine, inspect, and investigate the Property Documents and the Property and, in Buyer's sole and absolute judgment and discretion, determine whether the Property is acceptable to Buyer, (ii) obtain all necessary internal approvals, and (iii) satisfy all other contingencies of Buyer. Notwithstanding anything to the contrary in this Agreement,

Buyer may terminate this Agreement for any reason or no reason by giving written notice of termination to Seller and Escrow Agent (the "Due Diligence Termination Notice") on or before 5:00 p.m., Pacific Time, on the last day of the Inspection Period. If Buyer does not timely give a Due Diligence Termination Notice, this Agreement shall continue in full force and effect, Buyer shall be deemed to have waived its right to terminate this Agreement pursuant to Section 5.3 and this Section 4.5, and Buyer shall be deemed to have acknowledged that it has received or had access to all Property Documents and conducted all inspections and tests of the Property that it considers important.

4.6 Buyer to Rely on its Own Investigation. Except as expressly set forth in this Agreement and in the Closing documents and instruments executed and delivered by Seller at the Closing (collectively, the "Transaction Documents"), Buyer shall rely solely upon its own investigation with respect to the Property, including, without limitation, the Property's physical, environmental or economic condition, compliance or lack of compliance with any ordinance, order, permit or regulation or any other attribute or matter relating thereto. Seller has not undertaken any independent investigation as to the truth, accuracy or completeness of the Property Documents and are providing the Property Documents or making the same available for Buyer's review solely as an accommodation to Buyer.

4.7 Buyer's Responsibilities. In conducting any inspections, investigations or tests of the Property and/or Property Documents, Buyer and its agents and representatives shall: (i) not disturb the tenants or interfere with their use of the Property pursuant to their respective Leases; (ii) not damage any part of the Property or any personal property owned or held by any tenant or any third party; (iii) promptly pay when due the costs of all tests, investigations, and examinations done with regard to the Property; (iv) not permit any liens to attach to the Property by reason of the exercise of its rights hereunder; and (v) repair any damage to the Real Property resulting from any such inspection or tests.

4.8 Buyer's Agreement to Indemnify. Buyer shall indemnify, defend and hold Seller harmless from and against any and all liens, claims, causes of action, damages, liabilities and expenses (including reasonable attorneys' fees) arising out of Buyer's inspections or tests of the Property or any violation of the provisions of Sections 4.3, and 4.7; provided, however, the indemnity shall not extend to protect Seller from any pre-existing liabilities for matters merely discovered by Buyer (e.g., latent environmental contamination) so long as Buyer's actions do not aggravate any pre-existing liability of Seller.

ARTICLE 5

TITLE AND SURVEY

5.1 Title Report. Prior to execution of this Agreement, Seller or the Title Company delivered to Buyer, and Buyer received: (i) a title report for the Real Property listed on Exhibit B (the "PTR") issued by the Title Company, and (ii) copies of all documents of record referred to in the PTR as exceptions to title to the Real Property ("Title Documents").

5.2 New or Updated Survey. Prior to execution of this Agreement, Seller delivered to Buyer, and Buyer received, the ALTA Survey of the Real Property listed on Exhibit B (the

"Existing Survey"). Buyer may elect, at its expense, to revise, modify, or re-certify the Existing Survey (the Existing Survey, as may be so revised, modified, or re-certified, the "Survey") as necessary in order for the Title Company to delete the survey exception from the Title Policy and/or issue ALTA Extended Coverage title insurance, or to otherwise satisfy Buyer's objectives; provided, however, in no event shall the issuance and/or receipt of such revised, modified, or re-certified Survey be a condition precedent to, or delay, Closing.

5.3 Title Review. During the Title and Survey Review Period, Buyer shall review title to the Real Property as disclosed by the PTR and the Survey. All matters shown in the PTR, the Title Documents and the Survey (if any) which are not objected to by Buyer by delivery of written notice thereof ("Buyer's Title Objection Notice") to Seller at least ten (1) days before the end of the Title and Survey Review Period shall be conclusively deemed to be accepted by Buyer. If Buyer timely delivers to Seller Buyer's Title Objection Notice at least ten (1) days before the end of the Title and Survey Review Period specifying Buyer's objection to any title exception pertaining to the Real Property shown in the PTR, the Title Documents and the Survey (if any) (each a "Title Objection" and collectively the "Title Objections"), Seller may, but shall not be obligated to, eliminate or cure (by title endorsement from the Title Company or otherwise) some or all of such Title Objections; provided, however, if Seller is able and willing to eliminate or cure some or all of such Title Objections, Seller shall notify Buyer in writing within two (2) business days prior to the end of the Title and Survey Review Period ("Seller's Notice Period") of those Title Objections Seller intends to eliminate or cure (said notice hereinafter called "Seller's Title Notice") and in which case the elimination or curing by Seller of the Title Objections specified by Seller for cure or elimination in Seller's Title Notice shall be a condition to Buyer's obligation to consummate the transaction contemplated hereunder. If Seller does not deliver Seller's Title Notice to Buyer within Seller's Notice Period, Buyer is deemed to be notified that Seller is unable or unwilling to eliminate or cure the Title Objections. If Seller notifies or is deemed to have notified Buyer that Seller is unable or unwilling to cure any particular Title Objection, Buyer shall be deemed to have waived those Title Objections which Seller is unable or unwilling to eliminate or cure unless on or before the end of the Inspection Period, Buyer delivers to Seller and Escrow Agent Buyer's Due Diligence Termination Notice terminating this Agreement pursuant to Section 4.5. Notwithstanding anything herein to the contrary, if Buyer's right to terminate this Agreement pursuant to the foregoing provisions of this Section 5.3 has not expired prior thereto, it shall expire upon expiration of the Inspection Period. Notwithstanding the foregoing provisions of this Section 5.3 to the contrary, Buyer and Seller acknowledge that although Seller has no obligation (unless specifically set forth in Seller's Title Notice) to cure any title matters, subject to Buyer's full performance under this Agreement, Seller does agree to deliver title to the Real Property at Closing free and clear of (A) delinquent real property taxes, (B) mechanics' liens and (C) deeds of trust or other monetary liens created by, under or through Seller, which liens Seller shall cause to be released at or prior to Closing (with Seller having the right to apply the Purchase Price or a portion thereof for such purpose), and Seller further agrees to remove any title exceptions or encumbrances to title which are voluntarily created by, under or through Seller after the Effective Date without Buyer's consent (if requested, such consent shall not be unreasonably withheld or delayed).

5.4 Permitted Exceptions. The term "Permitted Exceptions" shall mean: the specific exceptions listed in the PTR that the Title Company has not agreed to remove from the PTR as of the end of the Inspection Period and that Seller is not required to remove as provided in

Section 5.3 above; matters created by, through or under Buyer; items shown on the Survey which have not been removed as of the end of the Inspection Period; real estate taxes not yet due and payable; and tenants and/or licensees under the Leases.

5.5 Delivery of Title Policy at Closing. Buyer's obligation to purchase the Property shall be subject to and conditioned upon the Title Company's willingness to issue, upon the sole condition of the payment of its regularly scheduled premium, an ALTA Standard Coverage owner's policy of title insurance (the "Title Policy"), insuring Buyer in the amount of the Purchase Price that fee simple title to the Real Property is vested in Buyer as of the Closing, subject only to the standard preprinted conditions and exceptions and the Permitted Exceptions. Buyer shall have the right to request that the Title Company issue such endorsements as Buyer may reasonably request as long as the endorsement are not a condition precedent to the Closing and do not require Seller to execute any affidavits, certificates or other documents or incur any expense or liability as a condition to issuance of such endorsements, other than a standard Owner's ALTA affidavit. Buyer shall pay for all costs of such Title Policy. In the event of any failure of such condition in this Section 5.5, Buyer shall have the right to terminate this Agreement, in which case the Earnest Money then held by Escrow Agent shall be immediately returned to Buyer and the parties hereto shall have no further rights or obligations, other than those that by their terms survive the termination of this Agreement.

ARTICLE 6

OPERATIONS AND RISK OF LOSS

6.1 Ongoing Operations. From the Effective Date through Closing:

6.1.1 Leases and Service Contracts. Seller will perform its obligations under the Leases and Service Contracts, and will maintain in effect all of its existing insurance policies pertaining to the Property.

6.1.2 New Contracts. Except as provided in Section 6.1.4, Seller will not enter into any contract or license that will be an obligation affecting the Property subsequent to the Closing, without first obtaining Buyer's prior consent, which shall not be unreasonably withheld, conditioned or delayed. Buyer agrees to give Seller written notice of Buyer's approval or disapproval of any such proposed contract within five (5) business days after Seller's request therefor together with a copy of such proposed contract; if Buyer does not respond to Seller's request within such time period, then Buyer will be deemed to have approved such proposed contract. Notwithstanding anything contained herein to the contrary, Seller hereby agrees to provide Buyer with written notice of any such contract entered into by Seller.

6.1.3 Maintenance of Improvements; Removal of Personal Property. Subject to Sections 6.2 and 6.3, Seller shall maintain all Improvements and equipment substantially in their present condition (ordinary wear and tear and casualty excepted) and operate the Property in a manner consistent with Seller's operation during Seller's period of ownership. Seller will not remove any Tangible Personal Property except as may be required for necessary repair or replacement, and replacement shall be of approximately equal quality and quantity as existed as the removed item of Tangible Personal Property. To the extent Seller fails to maintain the

Improvements and equipment in substantially their present condition (ordinary wear and tear excepted), Buyer shall be credited at Closing for the reasonable cost of any capital improvement that is required to repair any Improvement and equipment that is not so maintained.

6.1.4 Leasing. Seller shall not amend or terminate any existing Lease or enter into any new Lease without Buyer's prior written consent.

6.2 Damage. If prior to Closing the Real Property is damaged by fire or other casualty, Seller shall estimate the cost to repair and the time required to complete repairs (both of which shall be supported by independent third party reports) and will provide Buyer written notice of Seller's estimation (the "Casualty Notice") as soon as reasonably possible after the occurrence of the casualty.

6.2.1 Material. In the event of any Material Damage to or destruction of the Real Property or any portion thereof prior to Closing, Buyer may, at its option, terminate this Agreement by delivering written notice to Seller on or before the expiration of fifteen (15) days after the date Seller delivers the Casualty Notice to Buyer (and if necessary, the Closing Date shall be extended to give Buyer the full fifteen (15) day period to make such election). Upon any such termination, the Earnest Money shall be returned to Buyer and the parties hereto shall have no further rights or obligations hereunder, other than those that by their terms survive the termination of this Agreement. If Buyer does not so terminate this Agreement within said fifteen (15) day period, then the parties shall proceed under this Agreement and close on schedule (subject to extension of Closing as provided above), and as of Closing Seller shall assign to Buyer, without representation or warranty by or recourse against Seller, all of Seller's rights in and to any resulting insurance proceeds (including any rent loss insurance applicable to any period on and after the Closing Date) due Seller as a result of such damage or destruction and Buyer shall assume full responsibility for all needed repairs, and Buyer shall receive a credit at Closing for any deductible amount under such insurance policies plus the cost to repair any uninsured damage or destruction (but the amount of such credit plus insurance proceeds shall not exceed the lesser of (i) the cost of repair or (ii) the Purchase Price). For the purposes of this Agreement, "Material Damage" and "Materially Damaged" means damage which, in Seller's reasonable estimation, exceeds $1,000,000 to repair and restore to the condition immediately prior to the damage (or close to such condition as is practicable).

6.2.2 Not Material. If the Real Property is not Materially Damaged, then neither Buyer nor Seller shall have the right to terminate this Agreement, and Seller shall, at its option, either (i) repair the damage before the Closing in a manner reasonably satisfactory to Buyer, or (ii) credit Buyer at Closing for the reasonable cost to complete the repair and a pro rata share of the rental or business loss proceeds, if any, that Seller is entitled to receive from its insurance policies that are applicable to any period on and after the Closing Date (in which case Seller shall retain all insurance proceeds and Buyer shall assume full responsibility for all needed repairs).

6.3 Condemnation. If proceedings in eminent domain are instituted with respect to the Property or any portion thereof, then Buyer may, at its option, by written notice to Seller given within ten (10) days after Seller notifies Buyer of such proceedings (and if necessary the Closing Date shall be automatically extended to give Buyer the full ten (10)-day period to make

such election), either: (i) terminate this Agreement, in which case the Earnest Money shall be immediately returned to Buyer and the parties hereto shall have no further rights or obligations, other than those that by their terms survive the termination of this Agreement, or (ii) proceed under this Agreement, in which event Seller shall, at the Closing, assign to Buyer its entire right, title and interest in and to any condemnation award, and Buyer shall have the sole right after the Closing to negotiate and otherwise deal with the condemning authority in respect of such matter. If Buyer does not give Seller written notice of its election within the time required above, then Buyer shall be deemed to have elected option (ii) above.

ARTICLE 7

CLOSING

7.1 Closing. The consummation of the transaction contemplated herein ("Closing") shall occur on the Closing Date at the offices of Escrow Agent (or such other location as may be mutually agreed upon by Seller and Buyer). Funds shall be deposited into and held by Escrow Agent in a closing escrow account with a bank satisfactory to Buyer and Seller. Upon satisfaction or completion of all closing conditions and deliveries, the parties shall direct Escrow Agent to immediately record and deliver the closing documents to the appropriate parties and make disbursements according to the closing statements executed by Seller and Buyer.

7.2 Conditions to Parties' Obligation to Close.

7.2.1 The obligation of Seller to consummate the transactions contemplated hereunder are conditioned upon the following:

(a) Representations and Warranties. Buyer's representations and warranties contained herein shall be true and correct in all material respects as of the date of this Agreement and the Closing Date;

(b) Deliveries. As of the Closing Date, Buyer shall have tendered all deliveries to be made at Closing; and

(c) Actions, Suits, etc. There shall exist no pending actions, suits, arbitrations, claims, attachments, proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings, actually filed against Buyer that would prevent Buyer from performing its obligations under this Agreement.

If any of the conditions set forth in Section 7.2.1 above have not been satisfied as of the Closing Date (or such earlier date as is provided herein), Seller may, in its sole discretion, terminate this Agreement by delivering written notice to Buyer on or before the Closing Date, or elect to close notwithstanding the non-satisfaction of such condition, in which event Seller shall be deemed to have waived any such condition. In the event Seller elects to close, notwithstanding the non-satisfaction of such condition, Seller shall be deemed to have waived said condition, and there shall be no liability on the part of any other party hereto for breaches of representations and warranties of which Seller had knowledge at the Closing.

7.2.2 The obligation of Buyer to consummate the transactions contemplated hereunder are conditioned upon the following:

(a) Representations and Warranties. Seller's representations and warranties contained herein shall be true and correct in all material respects as of the date of this Agreement and the Closing Date;

(b) Deliveries. As of the Closing Date, Seller shall have tendered all deliveries to be made at Closing; and

(c) Actions, Suits, etc. There shall exist no pending actions, suits, arbitrations, claims, attachments, proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings, actually filed against Seller that would prevent Seller from performing its obligations under this Agreement.

If any of the conditions set forth in Section 7.2.2 above have not been satisfied as of the Closing Date (or such earlier date as is provided herein), Buyer may, in its sole discretion, terminate this Agreement by delivering written notice to Seller on or before the Closing Date, or elect to close notwithstanding the non-satisfaction of such condition, in which event Buyer shall be deemed to have waived any such condition. In the event Buyer elects to close, notwithstanding the non-satisfaction of such condition, Buyer shall be deemed to have waived said condition, and there shall be no liability on the part of any other party hereto for breaches of representations and warranties of which Buyer had knowledge at the Closing. In the event Buyer elects to terminate this Agreement pursuant to the foregoing provisions of this Section 7.2.2, it shall receive a return of all Earnest Money then held by Escrow Agent.

7.3 Seller's Deliveries in Escrow. At least one (1) business day prior to the Closing Date, Seller shall deliver in escrow to Escrow Agent the following:

7.3.1 Deed. A grant deed in the form of Exhibit C attached hereto (the "Deed") executed and acknowledged by Seller;

7.3.2 Bill of Sale, Assignment and Assumption. A Bill of Sale, Assignment and Assumption of Leases and Contracts in the form of Exhibit D attached hereto (the "Assignment"), executed by Seller;

7.3.3 Conveyancing or Transfer Tax Forms or Returns. Such conveyancing or transfer tax forms or returns, if any, as are required to be delivered or signed by Seller by applicable state and local law in connection with the conveyance of the Real Property;

7.3.4 Non-Foreign Certificate. An affidavit as required by the Foreign Investors Real Property Tax Act, as amended in the form of Exhibit E attached hereto, executed by Seller;

7.3.5 593-C. The California Revenue and Taxation Code Section 18805 et seq., in the form of d Exhibit F attached hereto, executed by Seller;

7.3.6 Authority. Evidence of the existence, organization and authority of Seller and of the authority of the persons executing documents on behalf of Seller reasonably satisfactory to the underwriter for the Title Policy;

7.3.7 Additional Documents. Any additional documents that Escrow Agent or the Title Company may reasonably require for the proper consummation of the transaction contemplated by this Agreement (provided, however, no such additional document shall expand any obligation, covenant, representation or warranty of Seller or result in any new or additional obligation, covenant, representation or warranty of Seller under this Agreement beyond those expressly set forth in this Agreement).

7.4 Buyer's Deliveries in Escrow. At least one (1) business day prior to the Closing Date, Buyer shall deliver in escrow to Escrow Agent the following:

7.4.1 Bill of Sale, Assignment and Assumption. The Assignment, executed by Buyer;

7.4.2 Conveyancing or Transfer Tax Forms or Returns. Such conveyancing or transfer tax forms or returns, if any, as are required to be delivered or signed by Buyer by applicable state and local law in connection with the conveyance of Real Property; and

7.4.3 Additional Documents. Any additional documents that Seller, Escrow Agent or the Title Company may reasonably require for the proper consummation of the transaction contemplated by this Agreement (provided, however, no such additional document shall expand any obligation, covenant, representation or warranty of Buyer or result in any new or additional obligation, covenant, representation or warranty of Buyer under this Agreement beyond those expressly set forth in this Agreement).

7.5 Closing Statements. As of or prior to the Closing Date, Seller and Buyer shall deposit with Escrow Agent executed closing statements consistent with this Agreement in the form required by Escrow Agent. At least two (2) business days prior to the Closing Date, Buyer and Seller shall cooperate with each other and Escrow Agent to cause Escrow Agent to deliver drafts of the closing statements to Buyer and Seller for review and comment so that the final pro forma closing statements can be executed by the Closing Date as required hereinabove.

7.6 Purchase Price. On or before one (1) business day prior to the Closing Date, Buyer shall deliver to Escrow Agent the Purchase Price, less the Earnest Money, plus or minus applicable prorations, in immediate, same-day U.S. federal funds wired for credit into Escrow Agent's escrow account, which funds must be delivered in a manner to permit Escrow Agent to deliver good funds to Seller or its designee on the Closing Date (and, if requested by Seller, by wire transfer).

7.7 Possession. Seller shall deliver possession of the Real Property and Tangible Personal Property to Buyer at the Closing.

7.8 Delivery of Books and Records. After the Closing, Seller shall deliver to the offices of Buyer's property manager or to the Real Property to the extent in Seller's or its property manager's possession or control: Leases and Lease files; maintenance records and

warranties; plans and specifications; licenses, permits and certificates of occupancy; copies or originals of all books and records of account, contracts, and copies of correspondence with tenants and suppliers; receipts for deposits, unpaid bills and other papers or documents which pertain to the Property; all advertising materials; booklets; keys; and other items, if any, used in the operation of the Property.

ARTICLE 8

PRORATIONS; DEPOSITS; COMMISSIONS

8.1 Prorations. At Closing, the following items shall be prorated as of the date of Closing with all items of income and expense for the Property being borne by Buyer from and after (but including) the date of Closing: Tenant Receivables (as defined below) and other income and rents; fees and assessments; prepaid expenses and obligations under Service Contracts that are assumed by Buyer pursuant to Section 4.7; accrued operating expenses; real and personal ad valorem taxes ("Taxes"); and any assessments by private covenant for the then-current calendar year of Closing. Specifically, the following shall apply to such prorations:

8.1.1 Taxes. If Taxes for the year of Closing are not known or cannot be reasonably estimated, Taxes shall be prorated based on Taxes for the year prior to Closing and adjustments shall be made between Seller and Buyer when such Taxes are actually known. Any real property taxes and assessments arising out of the sale of the Real Property to Buyer (or its assignee) or a subsequent sale or change in ownership thereafter, and/or arising out of any construction pertaining to the Real Property following the Closing, shall be paid by Buyer when assessed, and Buyer shall indemnify Seller from and against any all such Taxes, which indemnification obligation shall survive the Closing.

8.1.2 Utilities. Buyer shall take all steps necessary to effectuate the transfer of all utilities to its name as of the Closing Date, and where necessary, post deposits with the utility companies. Seller shall endeavor to have all utility meters read as of the Closing Date. Seller shall be entitled to recover any and all deposits held by any utility company as of the Closing Date.

8.1.3 Tenant Receivables. Rents and license fees due from tenants and licensees under Leases and operating expenses and/or taxes payable by tenants and licensees under Leases but not yet received as of the Closing (collectively, "Tenant Receivables") shall be apportioned on the basis of the period for which the same is payable and if, as and when collected, as follows:

(a) No proration of Uncollected Delinquent Tenant Receivables shall be made at Closing. Tenant Receivables and other income and payments received from tenants and licensees under Leases after Closing shall be applied in the following order of priority after deduction of reasonable costs of collection: (i) first, to payment of the current Tenant Receivables then due for the month in which the Closing Date occurs, which amount shall be apportioned between Buyer and Seller as of the Closing Date as set forth in Section 8.1 hereof (with Seller's portion thereof to be delivered to Seller); (ii) second, to Tenant Receivables first coming due after Closing and applicable to the period of time after Closing, which amount shall

be retained by Buyer; (iii) third, to payment of Tenant Receivables first coming due after Closing but applicable to the period of time before Closing, including, without limitation, the Tenant Receivables described in Section 8.1.3(b) below (collectively, "Unbilled Tenant Receivables"), which amount shall be delivered to Seller; and (iv) thereafter, to delinquent Tenant Receivables which were due and payable as of Closing but not collected by Seller as of Closing (collectively, "Uncollected Delinquent Tenant Receivables"), which amount shall be delivered to Seller. Notwithstanding the foregoing, Seller shall have the right to pursue the collection of Uncollected Delinquent Tenant Receivables for a period of one (1) year after Closing without prejudice to Seller's rights or Buyer's obligations hereunder; provided, however, Seller shall have no right to cause any such tenant or licensee to be evicted or to exercise any other "landlord" or "licensor" remedy (as set forth in such tenant's or licensee's Lease) against such tenant or licensee other than to sue for collection, and provided further that Seller may not commence any legal action against any delinquent tenant or licensee until sixty (60) days after Closing and then only after fifteen (15) days' prior notice to Buyer. Any sums received by Buyer to which Seller is entitled shall be held in trust for Seller on account of such past due rents payable to Seller, and Buyer shall remit to Seller any such sums received by Buyer to which Seller is entitled within ten (10) business days after receipt thereof less reasonable, actual costs and expenses of collection, including reasonable attorneys' fees, court costs and disbursements, if any. Seller expressly agrees that if Seller receives any amounts after the Closing Date which are attributable, in whole or in part, to any period after the Closing Date, Seller shall remit to Buyer that portion of the monies so received by Seller to which Buyer is entitled within ten (10) business days after receipt thereof. With respect to Unbilled Tenant Receivables, Buyer covenants and agrees to (A) bill the same when billable and (B) cooperate with Seller to determine the correct amount of operating expenses and/or taxes due. The provisions of this Section 8.1.3(a) shall survive the Closing.

(b) Without limiting the generality of the requirements of Section 8.1.3(a)(ii) above, if the final reconciliation or determination of operating expenses and/or taxes due under the Leases shows that a net amount is owed by Seller to Buyer, such net amount shall be paid by Seller to Buyer within ten (10) business days of such final determination under the Leases. If the final determination of operating expenses and/or taxes due under the Leases shows that a net amount is owed by Buyer to Seller, Buyer shall, within ten (10) business days of such final determination, remit to Seller such amount for the period up to and including the Closing Date, if, as and when received. Buyer agrees to receive and hold any monies received on account of such past due expenses and/or taxes in trust for Seller and to pay same promptly to Seller as aforesaid.

(c) The provisions of this Section 8.1.3 shall survive the Closing.

8.2 Leasing Costs. Seller agrees to pay or discharge at or prior to Closing all leasing commissions, costs for tenant improvements, legal fees and other costs and expenses (collectively, "Leasing Costs") that are due and payable as of the Closing Date with respect to Leases in force as of or prior to the Effective Date; provided, however, that Seller shall have no obligation to pay, and as of the Closing, Buyer shall assume the obligation to pay, (i) all Leasing Costs payable with respect to any option to renew or option to expand that has not been exercised as of or prior to the Effective Date, and (ii) all Leasing Costs incurred with respect to

Leases and Lease renewals, extensions, amendments and terminations executed subsequent to the Effective Date, which obligation shall survive the Closing.

8.3 Closing Costs. Closing costs shall be allocated between Seller and Buyer in accordance with Section 1.2.

8.4 Final Adjustment After Closing. If final bills are not available or cannot be issued prior to Closing for any item being prorated under Section 8.1, then Buyer and Seller agree to allocate such items on a fair and equitable basis as soon as such bills are available, final adjustment to be made as soon as reasonably possible after the Closing; provided, however, such final adjustment shall be made by the date which is six (6) months after the Closing (or with respect to the reconciliation of operating expenses and taxes under the Leases discussed in Section 8.1.3(b) above, by the date which is one hundred twenty (120) days after the end of the calendar year in which the Closing occurs). Payments in connection with the final adjustment shall be due within thirty (30) days of written notice. All such rights and obligations shall survive the Closing.

8.5 Tenant Security Deposits. All Security Deposits not applied by Seller (and interest thereon if required by law or contract) shall be transferred or credited to Buyer at Closing. As of the Closing, Buyer shall assume Seller's obligations related to tenant security deposits, but only to the extent they are credited or transferred to Buyer.

8.6 Commissions. Seller shall be responsible to Broker for any real estate sales commission at Closing (but only in the event of a Closing in strict accordance with this Agreement) in accordance with a separate agreement between Seller and Broker. Other than as stated above in this Section 8.6, Seller and Buyer each represent and warrant to the other that no real estate brokerage commission is payable to any person or entity in connection with the transaction contemplated hereby, and each agrees to and does hereby indemnify and hold the other harmless against the payment of any commission to any other person or entity claiming by, through or under Seller or Buyer, as applicable. This indemnification shall extend to any and all claims, liabilities, costs and expenses (including reasonable attorneys' fees and litigation costs) arising as a result of such claims and shall survive the Closing.

ARTICLE 9

REPRESENTATIONS AND WARRANTIES

9.1 Seller's Representations and Warranties. Seller represents and warrants to Buyer that:

9.1.1 Organization and Authority. Seller has been duly organized, is validly existing, and is in good standing in the state in which it was formed. Seller has the full right and authority and has obtained any and all consents required to enter into this Agreement and to consummate or cause to be consummated the transactions contemplated hereby. This Agreement has been, and all of the documents to be delivered by Seller at the Closing will be, authorized and executed and constitute, or will constitute, as appropriate, the valid and binding obligation of Seller, enforceable in accordance with their terms.

9.1.2 Conflicts and Pending Actions. There is no agreement to which Seller is a party or, to Seller's knowledge, that is binding on Seller, which is in conflict with this Agreement. To Seller's knowledge, there is no action or proceeding pending or threatened against Seller that challenges or impairs Seller's ability to execute or perform its obligations under this Agreement.

9.1.3 Lease. Prior to the Effective Date, Seller has provided Buyer with a true, correct and complete copy of the Lease, including all amendments or modifications thereto, if any. The Lease constitutes the entire agreement between Seller and Tenant with respect to the Property. The Lease has not been amended or modified, except as reflected in Exhibit A and is in full force and effect as originally executed. Seller has not, as an inducement, assumed any of the Tenant's Lease obligations and has made no arrangements with the Tenant covering free rent, partial rent, rebate of rental payments or any other type of rental concession. The Lease term ends on May, 2020. Tenant has no option, right of first refusal or other right to purchase the Property or any portion thereof, or any rights to expand or contract the size of the Leased Premises, or to renew or extend the Lease. The amount of the security deposit, if any, is $0. To the best of Seller's knowledge, as of the date hereof: (i) there exists no breach, default, or event or condition which, with the giving of notice or the passage of time or both, would constitute a breach or default under the Lease; and (ii) there are no existing claims, defenses or offsets against rental due or to become due under the Lease. The improvements and space required to be furnished according to the Lease have been duly delivered by Seller and accepted by Tenant, all allowances or reimbursements required under the Lease have been paid by Seller, rent payments have commenced, and the Leased Premises are in good condition and not in need of repair as of the date of this certificate.

9.1.4 Service Contracts. There are no Service Contracts presently in effect, other than Service Contracts that by their express terms are terminable without penalty upon 30 days or less notice.

9.1.5 Employees. As of the Closing, there will be no employees of Seller who will become employees of Buyer solely as a result of the sale of the Property to Buyer.

9.1.6 Litigation. Except as otherwise disclosed by or contained in the Property Documents: (i) Seller is not now a party to any litigation or other court proceeding which adversely affects the ownership or operation of the Property; and (ii) Seller has not received any written notice threatening any such litigation or other court proceeding which adversely affects the ownership or operation of the Property.

9.1.7 Eminent Domain. To Seller's knowledge, except as otherwise disclosed by or described in the Property Documents, Seller has received no written notice of any condemnation, eminent domain or similar proceedings pending or threatened, with regard to the Real Property.

9.1.8 Material Documents; Defaults. Seller has delivered or made available to Buyer for Buyer's review and inspection true, correct and complete copies of all Property Documents in its possession and has disclosed all facts known to Seller that Seller considers material concerning the Property and the Tenant. Seller has received no written notice of

Seller's default, nor to Seller's knowledge does there exist any Seller or tenant default, or any facts which with notice or the passage of time would constitute a Seller or tenant default, under any Leases.

9.1.9 Notices from Governmental Authorities. To Seller's knowledge, except as otherwise described in the Property Documents, Seller has not received from any governmental authority written notice of any material violation of any laws applicable (or alleged to be applicable) to the Real Property, or any part thereof, that has not been corrected and neither Seller nor the Property is in material violation of any applicable law, rule or regulation.

9.1.10 Prohibited Persons and Transactions. As of the Effective Date, neither Seller, nor to Seller's knowledge, any of its respective partners, members, shareholders, employees, officers, directors, or agents, is a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on the OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action relating to OFAC.

9.1.11 Hazardous Materials. Seller has made available to Buyer true and complete copies of the following third-party documents: Phase I Environmental Report, prepared by Earth Tech, Inc., Project No. 80168-01 dated September 9, 2004 (the "Environmental Reports"). Seller makes no representations or warranties whatsoever as to the accuracy of the information in the Environmental Reports. To the best of Seller's knowledge, except as noted in the Environmental Reports, there are no Hazardous Materials in, on, or under the Property and to the best of Seller's knowledge, without inquiry or inspection, there are no conditions on adjacent properties which are likely to contaminate the site or subsurface of the Property with Hazardous Materials.

9.2 Buyer's Representations and Warranties. Buyer represents and warrants to Seller that:

9.2.1 Organization and Authority. Buyer has been duly organized and is validly existing as a trust. Buyer has the full right and authority and has obtained any and all consents required to enter into this Agreement and to consummate or cause to be consummated the transactions contemplated hereby. This Agreement has been, and all of the documents to be delivered by Buyer at the Closing will be, authorized and properly executed and constitute, or will constitute, as appropriate, the valid and binding obligation of Buyer, enforceable in accordance with their terms.

9.2.2 Conflicts and Pending Action. There is no agreement to which Buyer is a party or to Buyer's knowledge binding on Buyer that is in conflict with this Agreement. There is no action or proceeding pending or, to Buyer's knowledge, threatened against Buyer that challenges or impairs Buyer's ability to execute or perform its obligations under this Agreement.

9.3 Survival of Representations and Warranties. The representations and warranties set forth in this Article 9 are made as of the Effective Date and, except in the case of Sections 9.1.5 and 9.1.9, are remade as of the Closing Date and shall not be deemed to be merged into or waived by the instruments of Closing, but shall survive the Closing for a period of twelve (12) months (the "Survival Period"). Terms such as "to Seller's knowledge," "to the best of Seller's knowledge" or like phrases mean the actual present and conscious awareness or knowledge of Joe Haydel and Kevin Johnson, without any duty of inquiry or investigation; provided that so qualifying Seller's knowledge shall in no event give rise to any personal liability on the part of any officer or employee of Seller, on account of any breach of any representation or warranty made by Seller herein. Said terms do not include constructive knowledge, imputed knowledge, or knowledge Seller or such persons do not have but could have obtained through further investigation or inquiry. No broker, agent, or party other than Seller is authorized to make any representation or warranty for or on behalf of Seller. Each party shall have the right to bring an action against the other on the breach of a representation or warranty hereunder, but only if the party bringing the action for breach first learns of the breach after Closing and files such action within the Survival Period. Neither party shall have any liability after Closing for the breach of a representation or warranty hereunder of which the other party hereto had knowledge as of Closing. The provisions of this Section 9.3 shall survive the Closing. Any breach of a representation or warranty that occurs prior to Closing shall be governed by Article 10.

ARTICLE 10

DEFAULT AND REMEDIES

10.1 Seller's Remedies. IN THE EVENT THE CLOSING AND THE CONSUMMATION OF THE TRANSACTIONS HEREIN CONTEMPLATED DO NOT OCCUR BY REASON OF ANY DEFAULT BY BUYER UNDER THIS AGREEMENT, OR IF PRIOR TO CLOSING ANY ONE OR MORE OF BUYER'S REPRESENTATIONS OR WARRANTIES ARE BREACHED IN ANY MATERIAL RESPECT, SELLER SHALL BE ENTITLED, AS ITS SOLE REMEDY (EXCEPT AS PROVIDED IN SECTIONS 4.11, 8.6, AND 10.4 HEREOF), TO TERMINATE THIS AGREEMENT AND RECEIVE, RECOVER AND RETAIN THE EARNEST MONEY AS LIQUIDATED DAMAGES AND NOT AS PENALTY, IN FULL SATISFACTION OF CLAIMS AGAINST BUYER HEREUNDER. SELLER AND BUYER AGREE THAT SELLER'S DAMAGES RESULTING FROM BUYER'S DEFAULT ARE DIFFICULT, IF NOT IMPOSSIBLE, TO DETERMINE AND THE EARNEST MONEY IS A FAIR ESTIMATE OF THOSE DAMAGES WHICH HAS BEEN AGREED TO IN AN EFFORT TO CAUSE THE AMOUNT OF SUCH DAMAGES TO BE CERTAIN. THE PARTIES ACKNOWLEDGE THAT THE PAYMENT AND/OR RECEIPT OF SUCH LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. NOTWITHSTANDING ANYTHING IN THIS SECTION 10.1 TO THE CONTRARY, IN THE EVENT OF BUYER'S DEFAULT OR A TERMINATION OF THIS AGREEMENT, SELLER SHALL HAVE ALL REMEDIES AVAILABLE AT LAW OR IN EQUITY IN THE EVENT BUYER OR ANY PARTY RELATED TO OR AFFILIATED WITH BUYER IS ASSERTING

ANY CLAIMS OR RIGHT TO THE PROPERTY (INCLUDING, WITHOUT LIMITATION, THE RECORDING OF A LIS PENDENS OR OTHER LIEN AGAINST THE PROPERTY OR THE SEEKING OF AN INJUNCTION OR SIMILAR RELIEF) THAT WOULD OTHERWISE DELAY OR PREVENT SELLER FROM HAVING CLEAR, INDEFEASIBLE AND MARKETABLE TITLE TO THE PROPERTY. IN ALL OTHER EVENTS SELLER'S REMEDIES SHALL BE LIMITED TO THOSE DESCRIBED IN THIS SECTION 10.1 AND SECTIONS 4.11, 8.6 AND 10.4 HEREOF. IF CLOSING IS CONSUMMATED, SELLER SHALL HAVE ALL REMEDIES AVAILABLE AT LAW OR IN EQUITY IN THE EVENT BUYER FAILS TO PERFORM ANY OBLIGATION OF BUYER UNDER THIS AGREEMENT THAT SURVIVES CLOSING.

SELLER'S INITIALS: _____ BUYER'S INITIALS: _____

10.2 Seller Default. IN THE EVENT THE CLOSING AND THE CONSUMMATION OF THE TRANSACTIONS HEREIN CONTEMPLATED DO NOT OCCUR BY REASON OF ANY DEFAULT BY BUYER UNDER THIS AGREEMENT, OR IF PRIOR TO CLOSING ANY ONE OR MORE OF SELLER'S REPRESENTATIONS OR WARRANTIES ARE BREACHED IN ANY MATERIAL RESPECT, BUYER MAY PURSUE ANY REMEDY ALLOWED BY LAW, INCLUDING, WITHOUT LIMITATION, (I) THE TERMINATION OF THIS AGREEMENT AND A REFUND OF THE EARNEST MONEY OR (II) SPECIFIC PERFORMANCE OF THIS AGREEMENT.

10.3 Attorneys' Fees. In the event either party hereto employs an attorney in connection with claims by one party against the other arising from the operation of this Agreement, the non-prevailing party shall pay the prevailing party all reasonable fees and expenses, including attorneys' fees, incurred in connection with such transaction.

10.4 Other Expenses. If this Agreement is terminated due to the default of a party, then the defaulting party shall pay any fees or charges due to Escrow Agent for holding the Earnest Money as well as any escrow cancellation fees or charges and any fees or charges due to the Title Company for preparation and/or cancellation of the PTR.

ARTICLE 11

DISCLAIMERS AND RELEASE

11.1 Disclaimers By Seller. Except as expressly set forth in this Agreement and in the Transaction Documents, it is understood and agreed that Seller has not at any time made and is not now making, and they specifically disclaim, any warranties or representations of any kind or character, express or implied, with respect to the Property, including, but not limited to, warranties or representations as to (i) matters of title, (ii) environmental matters relating to the Property or any portion thereof, including, without limitation, the presence of Hazardous Materials in, on, under or in the vicinity of the Property, (iii) geological conditions, including, without limitation, subsidence, subsurface conditions, water table, underground water reservoirs, limitations regarding the withdrawal of water, and geologic faults and the resulting damage of past and/or future faulting, (iv) whether, and to the extent to which the Property or any portion thereof is affected by any stream (surface or underground), body of water, wetlands, flood prone

ANY CLAIMS OR RIGHT TO THE PROPERTY (INCLUDING, WITHOUT LIMITATION, THE RECORDING OF A LIS PENDENS OR OTHER LIEN AGAINST THE PROPERTY OR THE SEEKING OF AN INJUNCTION OR SIMILAR RELIEF) THAT WOULD OTHERWISE DELAY OR PREVENT SELLER FROM HAVING CLEAR, INDEFEASIBLE AND MARKETABLE TITLE TO THE PROPERTY. IN ALL OTHER EVENTS SELLER'S REMEDIES SHALL BE LIMITED TO THOSE DESCRIBED IN THIS SECTION 10.1 AND SECTIONS 4.11, 8.6 AND 10.4 HEREOF. IF CLOSING IS CONSUMMATED, SELLER SHALL HAVE ALL REMEDIES AVAILABLE AT LAW OR IN EQUITY IN THE EVENT BUYER FAILS TO PERFORM ANY OBLIGATION OF BUYER UNDER THIS AGREEMENT THAT SURVIVES CLOSING.

SELLER'S INITIALS: _____ BUYER'S INITIALS: _____

10.2 Seller Default. IN THE EVENT THE CLOSING AND THE CONSUMMATION OF THE TRANSACTIONS HEREIN CONTEMPLATED DO NOT OCCUR BY REASON OF ANY DEFAULT BY BUYER UNDER THIS AGREEMENT, OR IF PRIOR TO CLOSING ANY ONE OR MORE OF SELLER'S REPRESENTATIONS OR WARRANTIES ARE BREACHED IN ANY MATERIAL RESPECT, BUYER MAY PURSUE ANY REMEDY ALLOWED BY LAW, INCLUDING, WITHOUT LIMITATION, (I) THE TERMINATION OF THIS AGREEMENT AND A REFUND OF THE EARNEST MONEY OR (II) SPECIFIC PERFORMANCE OF THIS AGREEMENT.

10.3 Attorneys' Fees. In the event either party hereto employs an attorney in connection with claims by one party against the other arising from the operation of this Agreement, the non-prevailing party shall pay the prevailing party all reasonable fees and expenses, including attorneys' fees, incurred in connection with such transaction.

10.4 Other Expenses. If this Agreement is terminated due to the default of a party, then the defaulting party shall pay any fees or charges due to Escrow Agent for holding the Earnest Money as well as any escrow cancellation fees or charges and any fees or charges due to the Title Company for preparation and/or cancellation of the PTR.

ARTICLE 11

DISCLAIMERS AND RELEASE

11.1 Disclaimers By Seller. Except as expressly set forth in this Agreement and in the Transaction Documents, it is understood and agreed that Seller has not at any time made and is not now making, and they specifically disclaim, any warranties or representations of any kind or character, express or implied, with respect to the Property, including, but not limited to, warranties or representations as to (i) matters of title, (ii) environmental matters relating to the Property or any portion thereof, including, without limitation, the presence of Hazardous Materials in, on, under or in the vicinity of the Property, (iii) geological conditions, including, without limitation, subsidence, subsurface conditions, water table, underground water reservoirs, limitations regarding the withdrawal of water, and geologic faults and the resulting damage of past and/or future faulting, (iv) whether, and to the extent to which the Property or any portion thereof is affected by any stream (surface or underground), body of water, wetlands, flood prone

area, flood plain, floodway or special flood hazard, (v) drainage, (vi) soil conditions, including the existence of instability, past soil repairs, soil additions or conditions of soil fill, or susceptibility to landslides, or the sufficiency of any undershoring, (vii) the presence of endangered species or any environmentally sensitive or protected areas, (viii) zoning or building entitlements to which the Property or any portion thereof may be subject, (ix) the availability of any utilities to the Property or any portion thereof including, without limitation, water, sewage, gas and electric, (x) usages of adjoining Property, (xi) access to the Property or any portion thereof, (xii) the value, compliance with the plans and specifications, size, location, age, use, design, quality, description, suitability, structural integrity, operation, title to, or physical or financial condition of the Property or any portion thereof, or any income, expenses, charges, liens, encumbrances, rights or claims on or affecting or pertaining to the Property or any part thereof, (xiii) the condition or use of the Property or compliance of the Property with any or all past, present or future federal, state or local ordinances, rules, regulations or laws, building, fire or zoning ordinances, codes or other similar laws, (xiv) the existence or non-existence of underground storage tanks, surface impoundments, or landfills, (xv) the merchantability of the Property or fitness of the Property for any particular purpose, (xvi) the truth, accuracy or completeness of the Property Documents, (xvii) tax consequences, or (xviii) any other matter or thing with respect to the Property.

11.2 Sale "As Is, Where Is.". Buyer acknowledges and agrees that upon Closing, Seller shall sell and convey to Buyer and Buyer shall accept the Property "AS IS, WHERE IS, WITH ALL FAULTS," except to the extent expressly provided otherwise in this Agreement and in the Transaction Documents. Except as expressly set forth in this Agreement and in the Transaction Documents, Buyer has not relied and will not rely on, and Seller has not made and is not liable for or bound by, any express or implied warranties, guarantees, statements, representations or information pertaining to the Property or relating thereto (including specifically, without limitation, Property information packages distributed with respect to the Property) made or furnished by Seller or any real estate broker, agent or third party representing or purporting to represent Seller, to whomever made or given, directly or indirectly, orally or in writing.

11.3 Seller Released from Liability. Buyer acknowledges that it will have the opportunity to inspect the Property during the Inspection Period, and during such period, observe its physical characteristics and existing conditions and the opportunity to conduct such investigation and study on and of the Property and adjacent areas as Buyer deems necessary and Seller permits, and Buyer, as of the Closing Date, FOREVER RELEASES AND DISCHARGES Seller from all responsibility and liability, including without limitation, liabilities under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. Sections 9601 et seq.), as amended ("CERCLA"), regarding the condition (including the presence in the soil, air, structures and surface and subsurface waters, of Hazardous Materials or other materials or substances that have been or may in the future be determined to be toxic, hazardous, undesirable or subject to regulation and that may need to be specially treated, handled and/or removed from the Property under current or future federal, state and local laws, regulations or guidelines), valuation, salability or utility of the Property, or its suitability for any purpose whatsoever. This release includes claims of which Buyer is presently unaware or which Buyer does not presently suspect to exist which, if known by Buyer, would materially affect Buyer's release to Seller.

In this connection and to the extent permitted by law, Buyer hereby agrees, represents and warrants that Buyer realizes and acknowledges that factual matters now unknown to it may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, loses and expenses which are presently unknown, unanticipated and unsuspected, and Buyer further agrees, represents and warrants that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that Buyer nevertheless hereby intends to release, discharge and acquit Seller from any such unknown causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses.

As of the Closing Date, Buyer further hereby WAIVES (and by closing this transaction will be deemed to have waived) any and all objections to or complaints regarding (including, but not limited to, federal, state and common law based actions), or any private right of action under, local, state and federal laws to which the Property is or may be subject, including, but not limited to, CERCLA, and Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), as amended ("RCRA") concerning the physical characteristics and any existing conditions of the Property, including, without limitation, structural and geologic conditions, subsurface soil and water conditions and solid and hazardous waste and Hazardous Materials on, under, adjacent to or otherwise affecting the Property. Buyer further hereby assumes the risk of changes in applicable laws and regulations relating to past, present and future environmental conditions on the Property and the risk that adverse physical characteristics and conditions, including, without limitation, the presence of Hazardous Materials or other contaminants, may not have been revealed by its investigation.

Notwithstanding the foregoing provisions of this Section 11.3 to the contrary, such release of Seller contained herein shall not relieve Seller of (a) liability for any breach by Seller of Seller's representations and warranties in Section 9.1 which expressly survive Closing in accordance with the provisions of, and subject to the limitations of, Section 9.3, (b) any obligation under this Agreement that survives Closing (subject, however, to any limitation on such survival as expressly provided in this Agreement) or any obligations under the Transaction Documents, (c) injuries to third parties unrelated to Buyer or damage to or loss of such third parties' property, which injury, damage or loss occurred during Seller's ownership of the Property (including, without limitation, as a result of the presence on or release from the Real Property of Hazardous Materials during Seller's ownership of the Real Property) and (d) Seller's indemnity obligations in this Agreement and the Transaction Documents.

11.4 "Hazardous Materials" Defined. For purposes hereof, "Hazardous Materials" means "Hazardous Substance," "Pollutant or Contaminant," and "Petroleum" and "Natural Gas Liquids," as those terms are defined or used in Section 101 of CERCLA, and any other substances regulated because of their effect or potential effect on public health and the environment, including, without limitation, PCBs, lead paint, asbestos, urea formaldehyde, radioactive materials, putrescible, and infectious materials.

11.5 Indemnity. Buyer agrees to indemnify and hold Seller harmless of and from any and all liabilities, claims, demands, and expenses of any kind or nature which arise or accrue after Closing and which are in any way related to the ownership, maintenance, or operation of the Property by Buyer and its successors and assigns. Seller agrees to indemnify and hold Buyer harmless of and from any and all liabilities, claims, demands, and expenses of any kind or nature

which arose or accrued prior to Closing and which are in any way related to the ownership, maintenance, or operation of the Property by Seller.

11.6 Survival. The terms and conditions of this Article 11 shall expressly survive the Closing, not merge with the provisions of any closing documents and shall be incorporated into the Deed.

Buyer acknowledges and agrees that the disclaimers and other agreements set forth herein are an integral part of this Agreement and that Seller would not have agreed to sell the Property to Buyer for the Purchase Price without the disclaimers and other agreements set forth above.

ARTICLE 12

MISCELLANEOUS

12.1 Parties Bound; Assignment. This Agreement, and the terms, covenants, and conditions herein contained, shall inure to the benefit of and be binding upon the heirs, personal representatives, successors, and assigns of each of the parties hereto. Buyer may assign its rights under this Agreement upon the following conditions: (i) the assignee of Buyer must be an affiliate of Buyer or an entity controlling, controlled by, or under common control with Buyer; (ii) all of the Earnest Money must have been delivered in accordance herewith, (iii) the assignee of Buyer shall assume all obligations of Buyer hereunder, but Buyer shall remain primarily liable for the performance of Buyer's obligations, and (iv) a copy of the fully executed written assignment and assumption agreement shall be delivered to Seller prior to Closing.

12.2 Headings. The article, section, subsection, paragraph and/or other headings of this Agreement are for convenience only and in no way limit or enlarge the scope or meaning of the language hereof.

12.3 Invalidity and Waiver. If any portion of this Agreement is held invalid or inoperative, then so far as is reasonable and possible the remainder of this Agreement shall be deemed valid and operative, and, to the greatest extent legally possible, effect shall be given to the intent manifested by the portion held invalid or inoperative. The failure by either party to enforce against the other any term or provision of this Agreement shall not be deemed to be a waiver of such party's right to enforce against the other party the same or any other such term or provision in the future.

12.4 Governing Law. This Agreement shall, in all respects, be governed, construed, applied, and enforced in accordance with the laws of the State of California.

12.5 Survival. The provisions of this Agreement that contemplate performance after the Closing and the obligations of the parties not fully performed at the Closing shall survive the Closing and shall not be deemed to be merged into or waived by the instruments of Closing.

12.6 Entirety and Amendments. This Agreement embodies the entire agreement between the parties and supersedes all prior agreements and understandings relating to the Property. This Agreement may be amended or supplemented only by an instrument in writing executed by the party against whom enforcement is sought.

12.7 Time. Time is of the essence in the performance of this Agreement.

12.8 Confidentiality. Each of Seller and Buyer shall make no public announcement or disclosure of any information related to this Agreement to outside brokers or third parties, before the Closing, without the prior written specific consent of the other party; provided, however, that (a) Buyer may make disclosures to those persons who are responsible for determining the feasibility of Buyer's acquisition and financing of the Property (including lenders, partners, investors, consultants, and attorneys) (collectively, "Permitted Outside Parties"); and (b) either Party may make disclosure of this Agreement to their respective Permitted Outside Parties as necessary to perform their respective obligations hereunder and as may be required under laws or regulations.

12.9 Notices. All notices required or permitted hereunder shall be in writing and shall be served on the parties at the addresses set forth in Section 1.3. Any such notices shall, unless otherwise provided herein, be given or served (i) by depositing the same in the United States mail, postage paid, certified and addressed to the party to be notified, with return receipt requested, (ii) by overnight delivery using a nationally recognized overnight courier, (iii) by personal delivery, or (iv) by facsimile, evidenced by confirmed receipt. Notice deposited in the mail in the manner hereinabove described shall be effective on the third (3rd) business day after such deposit. Notice given in any other manner shall be effective only if and when received by the party to be notified between the hours of 8:00 a.m. and 5:00 p.m. California time of any business day with delivery made after such hours to be deemed received the following business day. A party's address may be changed by written notice to the other party; provided, however, that no notice of a change of address shall be effective until actual receipt of such notice. Copies of notices are for informational purposes only, and a failure to give or receive copies of any notice shall not be deemed a failure to give notice. Notices given by counsel to the Buyer shall be deemed given by Buyer and notices given by counsel to the Seller shall be deemed given by Seller.

12.10 Construction. The parties acknowledge that the parties and their counsel have reviewed and revised this Agreement and agree that the normal rule of construction - to the effect that any ambiguities are to be resolved against the drafting party - shall not be employed in the interpretation of this Agreement or any exhibits or amendments hereto.

12.11 Calculation of Time Periods. Unless otherwise specified, in computing any period of time described herein, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is a Saturday, Sunday or legal holiday for national banks in the location where the Property is located, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday, or legal holiday. The last day of any period of time described herein shall be deemed to end at 5:00 p.m. local time in the state in which the Real Property is located.

12.12 Execution in Counterparts. This Agreement may be executed separately by Seller and Buyer in any number of counterparts, each of which shall be deemed to be an original, and all of such counterparts when taken together shall constitute one Agreement.

12.13 No Recordation. Without the prior written consent of Seller, there shall be no recordation of either this Agreement or any memorandum hereof, or any affidavit pertaining hereto, except as may be necessary for Buyer to enforce specific performance, and any such recordation of this Agreement or memorandum or affidavit by Buyer without the prior written consent of Seller shall constitute a default hereunder by Buyer, whereupon Seller shall have the remedies set forth in Section 10.1 hereof, except as may be necessary for Buyer to enforce specific performance.

12.14 Further Assurances. In addition to the acts and deeds recited herein and contemplated to be performed, executed and/or delivered by either party at Closing, each party agrees to perform, execute and deliver, but without any obligation to incur any additional liability or expense, on or after the Closing any further deliveries and assurances as may be reasonably necessary to consummate the transactions contemplated hereby or to further perfect the conveyance, transfer and assignment of the Property to Buyer.

12.15 Discharge of Obligations. The acceptance of the Deed by Buyer shall be deemed to be a full performance and discharge of every representation and warranty made by Seller herein and every agreement and obligation on the part of Seller to be performed pursuant to the provisions of this Agreement, except those which are herein specifically stated to survive Closing.

12.16 No Third Party Beneficiary. The provisions of this Agreement and of the documents to be executed and delivered at Closing are and will be for the benefit of Seller and Buyer only and are not for the benefit of any third party, and accordingly, no third party shall have the right to enforce the provisions of this Agreement or of the documents to be executed and delivered at Closing.

12.17 Joint and Several Liability. If Seller consists of several legal entities, each of them shall be jointly and severally liable for all of the liabilities and obligations under this Agreement and all other documents executed in connection with the transactions contemplated hereby.

[SIGNATURE PAGES AND EXHIBITS TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year written below.

SELLER:

West Adams Investment Trust

Date executed by Seller:

April 11, 2008

By: Joseph Haydel

Name: Joseph Haydel

Its: Trustee

By: GP

Name: INDYMEN RESTORATION GROUP LP.

Its: Trustee

BUYER:

COMMUNITY IMPACT DEVELOPMENT I, LLC, a Delaware limited liability company

Date executed by Buyer:

By: DVD CID I, LLC, a Delaware limited liability company, its managing member

By: _____

Name: Essie Safaie

Its: Authorized Representative

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year written below.

SELLER:

West Adams Investment Trust

Date executed by Seller:

_____

By: _____
Name: _____
Its: Trustee

By: _____
Name: _____
Its: Trustee

BUYER:

COMMUNITY IMPACT DEVELOPMENT I, LLC, a Delaware limited liability company

Date executed by Buyer:

4/10/08

By: DVD CID I, LLC, a Delaware limited liability company, its managing member

By: _____
Name: Essie Safai
Its: Authorized Representative

JOINDER BY ESCROW AGENT

Escrow Agent has executed this Agreement in order to confirm that Escrow Agent has received and shall hold the Earnest Money required to be deposited under this Agreement and the interest earned thereto, in escrow, and shall disburse the Earnest Money, and the interest earned thereon, pursuant to the provisions of this Agreement.

North American Title

Date executed by Escrow Agent: APRIL 16, 2008

By: _____

Name: GEORGE MICHAEL MAHONEY

Its: ESCROW OFFICER

PARCEL 1:

THAT PORTION OF BLOCK 18 OF WEST ADAMS HEIGHTS, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2 PAGES 53 AND 54 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING NORTHERLY OF A LINE THAT IS PARALLEL WITH AND DISTANT NORTHERLY 245 FEET MEASURED AT RIGHT ANGLES FROM THE CENTER LINE OF ADAMS BOULEVARD, FORMERLY ADAMS STREET, AS SHOWN ON SAID MAP.

EXCEPT THEREFROM THE NORTHERLY 200 FEET OF SAID LAND.

ALSO EXCEPT THAT PORTION INCLUDED WITHIN WESTERN AVENUE.

PARCEL 2:

THE WESTERLY 121.80 FEET OF THAT PORTION OF BLOCK 18 OF WEST ADAMS HEIGHTS, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2 PAGES 53 AND 54 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING SOUTHERLY OF A LINE THAT IS PARALLEL WITH AND DISTANT NORTHERLY 245 FEET MEASURED OF RIGHT ANGLES FROM THE CENTER LINE OF ADAMS BOULEVARD, FORMERLY ADAMS STREET, AS SHOWN ON SAID MAP.

EXCEPT THEREFROM THAT PORTION INCLUDED WITHIN WESTERN AVENUE.

APN: 5058-015-005

FIRST AMENDMENT TO AGREEMENT OF PURCHASE AND SALE

THIS FIRST AMENDMENT TO AGREEMENT OF PURCHASE AND SALE (this "First Amendment"), is entered into as of July 11, 2008, between WEST ADAMS INVESTMENT TRUST ("Seller") and COMMUNITY IMPACT DEVELOPMENT I, LLC, a Delaware limited liability company ("Buyer").

RECITALS:

A. Seller and Buyer entered into that certain Agreement of Purchase of and Sale dated April 11, 2008 (as amended or supplemented from time to time, the "Purchase Agreement"), for the sale of the Property located in the County of Los Angeles, California, as more particularly described in Exhibit A to the Purchase Agreement. All capitalized terms not otherwise specifically defined in this First Amendment have meanings ascribed to such terms in the Purchase Agreement.

B. The parties desire to modify the Purchase Agreement to extend the Inspection Period.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1) Inspection Period. Notwithstanding anything to the contrary in the Purchase Agreement, the parties agree that the term "Inspection Period" shall mean the period beginning on the Effective Date and ending on July 31, 2008 Except as extended for the express and limited purpose described herein, the term "Inspection Period" shall remain unaltered and unchanged in the Purchase Agreement.

2) Effect of this First Amendment. Except as amended and/or modified by this First Amendment, the Purchase Agreement is hereby ratified and confirmed and all other terms of the Purchase Agreement shall remain in full force and effect, unaltered and unchanged by this First Amendment. In the event of any conflict between the provisions of this First Amendment and the provisions of the Purchase Agreement, the provisions of this First Amendment shall prevail. Whether or not specifically amended by the provisions of this First Amendment, all of the terms and provisions of the Purchase Agreement are hereby amended to the extent necessary to give effect to the purpose and intent of this First Amendment.

3) Counterparts. This First Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together will constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto except having additional signature pages executed by other parties to this First Amendment attached thereto.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

800503.02/LA
08478-001/7-11-08/nyc/mjk

IN WITNESS WHEREOF, the parties have executed this First Amendment as of the date first written above.

"Buyer"

COMMUNITY IMPACT DEVELOPMENT I, LLC, a Delaware limited liability company

By: DVD CID I, LLC, a Delaware limited liability company, its Managing Member

By: _____
Print Name: ESSIE SAFAIE
Print Title: DIRECTOR OF DEVELOPMENT

"Seller"

WEST ADAMS INVESTMENT TRUST

By: Joseph Haydel
Print Name: Joseph Haydel
Print Title: Trustee

By: _____ AP
Print Name: KEVIN JOHNSON AP
Print Title: Trustee

REINSTATEMENT AND SECOND AMENDMENT TO AGREEMENT OF PURCHASE AND SALE

THIS REINSTATEMENT AND SECOND AMENDMENT TO AGREEMENT OF PURCHASE AND SALE (this "***Reinstatement***") is made this November 13, 2008 by and between **WEST ADAMS INVESTMENT TRUST** ("***Seller***"), and **COMMUNITY IMPACT DEVELOPMENT I, LLC**, its successors and/or assigns ("***Buyer***").

RECITALS:

WHEREAS, Seller and Buyer had previously entered into that certain Agreement of Purchase and Sale dated as of April 11, 2008 (the "***Initial Agreement***"), as amended by that certain First Amendment to Agreement of Purchase and Sale dated as of July 11, 2008 (the "***Amendment***"; collectively, the Initial Agreement and the Amendment are referred to herein as the "***Purchase Agreement***") with respect to certain premises described therein (the "***Property***");

WHEREAS, the Purchase Agreement expired by its terms and the transactions contemplated therein were not completed;

WHEREAS, Seller and Buyer have agreed to reinstate, modify and amend the Purchase Agreement, according to the terms herein;

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, Buyer and Seller hereby acknowledge and agree as follows and the Agreement is reinstated, modified and amended as follows:

Section 1. Reinstatement. Seller and Buyer hereby acknowledge and agree that the Purchase Agreement is hereby reinstated as of the date hereof to the same extent as if no termination had occurred thereunder, and all terms and conditions of the Purchase Agreement shall continue in full force and effect, except as modified herein.

Section 2. Effective Date. Seller and Buyer hereby acknowledge and agree that the Effective Date of the Purchase Agreement is November 13, 2008.

Section 3. Purchase Price. Seller and Buyer hereby acknowledge and agree that the Purchase Price shall be Ten Million Three Hundred Thousand and no/100 Dollars ($10,300,000).

Section 4. Earnest Money. In order for this Agreement to be effective, Buyer shall deliver to Escrow Agent (as defined in the Purchase Agreement) the sum of Two Hundred Fifty Thousand Dollars ($250,000) (the "***Earnest Money***") within two (2) business days after full execution of this Agreement. The Escrow Agent shall hold the Earnest Money pursuant to the Purchase Agreement, as amended by this Agreement.

Section 5. Inspection Period. Seller and Buyer hereby acknowledge and agree that the Inspection Period shall be five (5) business days after the Compliance Date, provided Buyer is permitted full, complete and immediate access to the Property. Any delay on the part of Seller in

providing access to the Property to Buyer and/or Buyer's agents shall extend the Inspection Period by the length of time of such delay.

Section 6. Closing Date. Seller and Buyer hereby acknowledge and agree that the Closing Date shall be on or before December 31, 2008.

Section 7. Notice Addresses. Section 1.3 shall be entirely replaced with the following:

Seller:	West Adams Investment Trust 14724 Ventura Blvd. Suite 600, Sherman Oaks, CA 91403 Attention: Joe Haydel Facsimile: 818-907-8484
Buyer:	COMMUNITY IMPACT DEVELOPMENT I, LLC c/o DVD CID I, LLC 2930 East Camelback Road Suite 215 Phoenix, AZ 85016 Attention: James D. Howard, Jr. Facsimile: 602-468-2775
With a copy to:	Kutak Rock LLP The Omaha Building 1650 Farnam Street Omaha, NE 68102 Attention: Beth M. Ascher Facsimile: 402-346-1148

Section 8. Deposit and Investment of Earnest Money. Section 3.1 shall be entirely replaced with the following:

"3.1 Deposit and Investment of Earnest Money. Within two (2) business days after the Effective Date, Buyer shall deposit with Escrow Agent the Earnest Money in cash by wire transfer to Escrow Agent of immediately available U.S. federal funds. Escrow Agent shall invest the Earnest Money in government insured interest-bearing accounts satisfactory to Seller and Buyer, shall not commingle the Earnest Money with any funds of Escrow Agent or others, and shall promptly provide Buyer and Seller with confirmation of the investments made. Such account shall have no penalty for early withdrawal, and Buyer accepts all risks with regard to such account."

Section 10. Due Diligence Materials/Survey. (a) Seller shall use its best efforts to provide to Buyer any documents, items or materials (other than the Property Information) which are requested by Buyer in connection with its due diligence review within forty-eight hours of any such request. Exhibit B of the Purchase Agreement shall be completed with the following information:

"1. Lease Agreement between En Realty Associates, LLC, as landlord, and Golden State Mutual Life Insurance Company, as tenant;
2. Phase I Environment Site Assessment dated as of September 9, 2004;
3. Elevator Contract;
4. Zoning Information Report; and
5. Natural Hazard Report."

(b) Seller agrees to deliver to Buyer those certain diligence items listed on Schedule 1 attached hereto and incorporated herein and further agrees that the date on which the last of all such items is received by Buyer (the "***Compliance Date***") shall mark the beginning of the Inspection Period.

Section 11. Additional Condition to Closing. The following provision shall be added to Section 7.2.2:

"(d) Tenancy of the Improvements. As of Closing, Seller shall have delivered to Buyer documentation acceptable to Buyer, in Buyer's sole discretion, evidencing that any and all tenants of the Improvements shall vacate the Real Property on or before June 30, 2009, (with such tenant vacation being referred to herein as the "***Vacancy Date***")."

Section 12. Effect. To be effective, this Reinstatement must by executed by Buyer and Seller on or before November 14, 2008. Except as amended or otherwise modified hereby, the Purchase Agreement shall remain unmodified and in full force and effect. The terms and conditions hereof and of the Purchase Agreement may not be modified, amended, altered or otherwise affected except by an instrument in writing executed by Buyer and Seller. All capitalized terms not otherwise defined herein shall have the same meaning ascribed to such terms in the Purchase Agreement.

Section 13. Counterparts. This Reinstatement may be executed in several counterparts, and all so executed shall constitute one instrument binding on the parties hereto.

[REMAINDER OF PAGE BLANK; SIGNATURE PAGE FOLLOWS]

In witness whereof, Seller and Buyer have executed this Reinstatement as of the date first above written.

COMMUNITY IMPACT DEVELOPMENT I, LLC,
a Delaware limited liability company

By: Dudley Ventures Development, LLC, a Delaware limited liability company

By: _____
Essie Safaie
Authorized representative

WEST ADAMS INVESTMENT TRUST

By: _____
Name: _____
Its: Trustee

By: _____
Name: _____
Its: Trustee

In witness whereof, Seller and Buyer have executed this Reinstatement as of the date first above written.

COMMUNITY IMPACT DEVELOPMENT, LLC
a Delaware limited liability company

By: Dudley Ventures Development, LLC, a
Delaware limited liability company

By:
Essie Safaie
Authorized representative

WEST ADAMS INVESTMENT TRUST

By: [illegible]
Name: [illegible]
Its: Trustee [illegible]

By: [illegible]
Name: [illegible]
Its: Trustee

SCHEDULE 1

DILIGENCE ITEMS TO BE DELIVERED

1. Executed Assignment of Lease by and between En Golden State, LLC, as Assignor and Christiana Bank & Trust Company, as Tenant

2. Current Insurance from Golden State

3. Elevator Contract

4. Engineer and other Reports assessing the physical condition of the Property

5. Updated Contracts in connection with ADT Security and Cal Air HVAC

6. Evidence of satisfaction of covenants under the Lease

7. Utility Bills (Water and Sewer, Electricity etc.)

8. Any and all other contracts requested under Section 2.1.4 of the Purchase Agreement

9. Any and all other existing contracts.

THIRD AMENDMENT TO
AGREEMENT OF PURCHASE AND SALE

THIS THIRD AMENDMENT TO AGREEMENT OF PURCHASE AND SALE (this "***Reinstatement***") is made this November 19, 2008 by and between **WEST ADAMS INVESTMENT TRUST** ("***Seller***"), and **COMMUNITY IMPACT DEVELOPMENT I, LLC**, its successors and/or assigns ("***Buyer***").

RECITALS:

WHEREAS, Seller and Buyer had previously entered into that certain Agreement of Purchase and Sale dated as of April 11, 2008 (the "***Initial Agreement***"), as amended by that certain First Amendment to Agreement of Purchase and Sale dated as of July 11, 2008 (the "***Amendment***"; collectively, the Initial Agreement, the Amendment and the Reinstatement, as defined below, are referred to herein as the "***Purchase Agreement***") with respect to certain premises described therein (the "***Property***");

WHEREAS, the Purchase Agreement expired by its terms and the transactions contemplated therein were not completed;

WHEREAS, Seller and Buyer entered into that certain Reinstatement and Second Amendment to Agreement of Purchase and Sale dated November 13, 2008 (the "***Reinstatement***") to reinstate the Purchase Agreement and modify certain terms of the Purchase Agreement;

WHEREAS, Seller and Buyer desire to, and hereby do, modify the Purchase Agreement to extend the Inspection Period;

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, Buyer and Seller hereby acknowledge and agree as follows and the Purchase Agreement is modified and amended as follows:

Section 1. Inspection Period. Notwithstanding anything to the contrary in the Purchase Agreement, Seller and Buyer agree that the Inspection Period shall end on December 5, 2008.

Section 2. Effect of this Third Amendment. Except as amended and/or modified by this Third Amendment, the Purchase Agreement, is hereby ratified and confirmed and all other terms of the Purchase Agreement shall remain in full force and effect, unaltered and unchanged by this Third Amendment. In the event of any conflict between the provisions of this Third Amendment and the provisions of the Purchase Agreement, the provisions of this Third Amendment shall prevail. Whether or not specifically amended by the provisions of this Third Amendment, all of the terms and provisions of the Purchase Agreement are hereby amended to the extent necessary to give effect to the purpose and intent of this Third Amendment.

Section 3. Counterparts. This Third Amendment may be executed in several counterparts, and all so executed shall constitute one instrument binding on the parties hereto.

In witness whereof, Seller and Buyer have executed this Third Amendment as of the date first above written.

COMMUNITY IMPACT DEVELOPMENT I, LLC,
a Delaware limited liability company

By: Dudley Ventures Development, LLC, a Delaware limited liability company

By: _____
Essie Safaie
Authorized representative

WEST ADAMS INVESTMENT TRUST

By: _____
Name: _____
Its: Trustee

By: _____
Name: _____
Its: Trustee

In witness whereof, Seller and Buyer have executed this Third Amendment as of the date first above written.

COMMUNITY IMPACT DEVELOPMENT II, LLC
a Delaware limited liability company

By: **DVD CID II, LLC**
a Delaware limited liability company
Its: **Managing Member**

By: **Dudley Ventures Development, LLC**
a Delaware limited liability company
Its: **Managing Member**

By: _____
Essie Safaie
Its: **Authorized representative**

WEST ADAMS INVESTMENT TRUST

By: _____
Name: Kevin Johnson GP
Its: Trustee Indymen Restoration Group LP
11-24-08

By: _____
Name: Joseph Haydel
Its: Trustee 11-24-08

FOURTH AMENDMENT TO
AGREEMENT OF PURCHASE AND SALE

THIS FOURTH AMENDMENT TO AGREEMENT OF PURCHASE AND SALE (this "***Reinstatement***") is made December 5, 2008 by and between **WEST ADAMS INVESTMENT TRUST** ("***Seller***"), and **COMMUNITY IMPACT DEVELOPMENT II, LLC**, its successors and/or assigns ("***Buyer***").

RECITALS:

WHEREAS, Seller and Assignor had previously entered into that certain Agreement of Purchase and Sale dated as of April 11, 2008 (the "***Initial Agreement***"), as amended by that certain First Amendment to Agreement of Purchase and Sale dated as of July 11, 2008 (the "***Amendment***"; collectively, the Initial Agreement, the Amendment and the Reinstatement, as defined below, are referred to herein as the "***Purchase Agreement***") with respect to certain premises described therein (the "***Property***");

WHEREAS, the Purchase Agreement expired by its terms and the transactions contemplated therein were not completed;

WHEREAS, Seller and Assignor entered into that certain Reinstatement and Second Amendment to Agreement of Purchase and Sale dated November 13, 2008 (the "***Reinstatement***") to reinstate the Purchase Agreement and modify certain terms of the Purchase Agreement; as amended by Third Amendment to Agreement of Purchase and Sale dated November 19, 2008 ("**Amendment**");

WHEREAS, Community Impact Development I, LLC ("**Assignor**"), assigned its interest in the Agreement of Purchase and Sale to Buyer, by Assignment and Assumption Agreement dated November 19, 2008 ("**Assignment**");

WHEREAS, Seller and Buyer desire to, and hereby do, modify the Purchase Agreement to extend the Inspection Period;

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, Buyer and Seller hereby acknowledge and agree as follows and the Purchase Agreement is modified and amended as follows:

Section 1. Inspection Period. Notwithstanding anything to the contrary in the Purchase Agreement, Seller and Buyer agree that the Inspection Period shall end on December 12, 2008.

Section 2. Effect of this Fourth Amendment. Except as amended and/or modified by this Fourth Amendment, the Purchase Agreement, is hereby ratified and confirmed and all other terms of the Purchase Agreement shall remain in full force and effect, unaltered and unchanged by this Fourth Amendment. In the event of any conflict between the provisions of this Fourth Amendment and the provisions of the Purchase Agreement, the provisions of this Fourth Amendment shall prevail. Whether or not specifically amended by the provisions of this Fourth

Amendment, all of the terms and provisions of the Purchase Agreement are hereby amended to the extent necessary to give effect to the purpose and intent of this Fourth Amendment.

Section 3. Counterparts. This Fourth Amendment may be executed in several counterparts, and all so executed shall constitute one instrument binding on the parties hereto.

In witness whereof, Seller and Buyer have executed this Fourth Amendment as of the date first above written.

COMMUNITY IMPACT DEVELOPMENT II, LLC
a Delaware limited liability company

By: DVD CID II, LLC
a Delaware limited liability company
Its: Managing Member

By: Dudley Ventures Development, LLC
a Delaware limited liability company
Its: Managing Member

By: Essie Safaie
Its: Authorized representative

WEST ADAMS INVESTMENT TRUST

By: _____
Name: Kevin Johnson GP
Its: Trustee Indymen Resoration Group LP

By: Joseph Haydel
Name: Joseph Haydel
Its: Trustee

Amendment, all of the terms and provisions of the Purchase Agreement are hereby amended to the extent necessary to give effect to the purpose and intent of this Fourth Amendment.

Section 3. Counterparts. This Fourth Amendment may be executed in several counterparts, and all so executed shall constitute one instrument binding on the parties hereto.

In witness whereof, Seller and Buyer have executed this Fourth Amendment as of the date first above written.

COMMUNITY IMPACT DEVELOPMENT II, LLC
a Delaware limited liability company

By: DVD CID II, LLC
a Delaware limited liability company
Its: Managing Member

By: Dudley Ventures Development, LLC
a Delaware limited liability company
Its: Managing Member

By: [signature]
Dale Dudley
Its: Authorized representative

WEST ADAMS INVESTMENT TRUST

By: [signature]
Name: Kevin Johnson SR
Its: Trustee Indytown Recreation Group LP

By: _____
Name: Joseph Haydel
Its: Trustee.

FIFTH AMENDMENT TO
AGREEMENT OF PURCHASE AND SALE

THIS FIFTH AMENDMENT TO AGREEMENT OF PURCHASE AND SALE (this "***Reinstatement***") is made December 12, 2008 by and between **WEST ADAMS INVESTMENT TRUST** ("***Seller***"), and **COMMUNITY IMPACT DEVELOPMENT II, LLC**, its successors and/or assigns ("***Buyer***").

RECITALS:

WHEREAS, Seller and Assignor had previously entered into that certain Agreement of Purchase and Sale dated as of April 11, 2008 (the "***Initial Agreement***"), as amended by that certain First Amendment to Agreement of Purchase and Sale dated as of July 11, 2008 (the "***Amendment***"; collectively, the Initial Agreement, the Amendment and the Reinstatement, as defined below, are referred to herein as the "***Purchase Agreement***") with respect to certain premises described therein (the "***Property***");

WHEREAS, the Purchase Agreement expired by its terms and the transactions contemplated therein were not completed;

WHEREAS, Seller and Assignor entered into that certain Reinstatement and Second Amendment to Agreement of Purchase and Sale dated November 13, 2008 (the "***Reinstatement***") to reinstate the Purchase Agreement and modify certain terms of the Purchase Agreement; as amended by Third Amendment to Agreement of Purchase and Sale dated November 19, 2008 ("**Amendment**"); and, as amended by Fourth Amendment to Agreement of Purchase and Sale dated December 5, 2008;

WHEREAS, Community Impact Development I, LLC ("**Assignor**"), assigned its interest in the Agreement of Purchase and Sale to Buyer, by Assignment and Assumption Agreement dated November 19, 2008 ("**Assignment**");

WHEREAS, Seller and Buyer desire to, and hereby do, modify the Purchase Agreement to extend the Inspection Period;

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, Buyer and Seller hereby acknowledge and agree as follows and the Purchase Agreement is modified and amended as follows:

Section 1. Inspection Period. Notwithstanding anything to the contrary in the Purchase Agreement, Seller and Buyer agree that the Inspection Period shall end on December 19, 2008.

Section 2. Effect of this Fifth Amendment. Except as amended and/or modified by this Fifth Amendment, the Purchase Agreement, is hereby ratified and confirmed and all other terms of the Purchase Agreement shall remain in full force and effect, unaltered and unchanged by this Fifth Amendment. In the event of any conflict between the provisions of this Fifth Amendment and the provisions of the Purchase Agreement, the provisions of this Fifth

Amendment shall prevail. Whether or not specifically amended by the provisions of this Fifth Amendment, all of the terms and provisions of the Purchase Agreement are hereby amended to the extent necessary to give effect to the purpose and intent of this Fifth Amendment.

Section 3. Counterparts. This Fifth Amendment may be executed in several counterparts, and all so executed shall constitute one instrument binding on the parties hereto.

In witness whereof, Seller and Buyer have executed this Fifth Amendment as of the date first above written.

COMMUNITY IMPACT DEVELOPMENT II, LLC
a Delaware limited liability company

By: DVD CID II, LLC
a Delaware limited liability company
Its: Managing Member

By: Dudley Ventures Development, LLC
a Delaware limited liability company
Its: Managing Member

By: _____
Essie Safaie
Its: Authorized representative

WEST ADAMS INVESTMENT TRUST

By: _____
Name: _____
Its: Trustee

By: _____
Name: _____
Its: Trustee

Signature Not Received

SIXTH AMENDMENT TO
AGREEMENT OF PURCHASE AND SALE

THIS SIXTH AMENDMENT TO AGREEMENT OF PURCHASE AND SALE (this "***Reinstatement***") is made December 19, 2008 by and between **WEST ADAMS INVESTMENT TRUST** ("***Seller***"), and **COMMUNITY IMPACT DEVELOPMENT II, LLC**, its successors and/or assigns ("***Buyer***").

RECITALS:

WHEREAS, Seller and Assignor had previously entered into that certain Agreement of Purchase and Sale dated as of April 11, 2008 (the "***Initial Agreement***"), as amended by that certain First Amendment to Agreement of Purchase and Sale dated as of July 11, 2008 (the "***Amendment***"; collectively, the Initial Agreement, the Amendment and the Reinstatement, as defined below, are referred to herein as the "***Purchase Agreement***") with respect to certain premises described therein (the "***Property***");

WHEREAS, the Purchase Agreement expired by its terms and the transactions contemplated therein were not completed;

WHEREAS, Seller and Assignor entered into that certain Reinstatement and Second Amendment to Agreement of Purchase and Sale dated November 13, 2008 (the "***Reinstatement***") to reinstate the Purchase Agreement and modify certain terms of the Purchase Agreement; as amended by Third Amendment to Agreement of Purchase and Sale dated November 19, 2008 ("**Amendment**"); as amended by Fourth Amendment to Agreement of Purchase and Sale dated December 5, 2008; and, as amended by Fifth Amendment to Agreement of Purchase and Sale dated December 12, 2008;

WHEREAS, Community Impact Development I, LLC ("**Assignor**"), assigned its interest in the Agreement of Purchase and Sale to Buyer, by Assignment and Assumption Agreement dated November 19, 2008 ("**Assignment**");

WHEREAS, Seller and Buyer desire to, and hereby do, modify the Purchase Agreement to extend the Inspection Period;

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, Buyer and Seller hereby acknowledge and agree as follows and the Purchase Agreement is modified and amended as follows:

Section 1. Inspection Period. Notwithstanding anything to the contrary in the Purchase Agreement, Seller and Buyer agree that the Inspection Period shall end on December 31, 2008.

Section 2. Effect of this Sixth Amendment. Except as amended and/or modified by this Sixth Amendment, the Purchase Agreement, is hereby ratified and confirmed and all other terms of the Purchase Agreement shall remain in full force and effect, unaltered and unchanged by this Sixth Amendment. In the event of any conflict between the provisions of this Sixth

Amendment and the provisions of the Purchase Agreement, the provisions of this Sixth Amendment shall prevail. Whether or not specifically amended by the provisions of this Sixth Amendment, all of the terms and provisions of the Purchase Agreement are hereby amended to the extent necessary to give effect to the purpose and intent of this Sixth Amendment.

Section 3. Counterparts. This Sixth Amendment may be executed in several counterparts, and all so executed shall constitute one instrument binding on the parties hereto.

In witness whereof, Seller and Buyer have executed this Sixth Amendment as of the date first above written.

COMMUNITY IMPACT DEVELOPMENT II, LLC
a Delaware limited liability company

By: DVD CID II, LLC
a Delaware limited liability company
Its: Managing Member

By: Dudley Ventures Development, LLC
a Delaware limited liability company
Its: Managing Member

By: _____
Essie Safaie
Its: Authorized representative

WEST ADAMS INVESTMENT TRUST

By: _____
Name: _____
Its: Trustee

By: _____
Name: _____
Its: Trustee

Signature Not Received

REINSTATEMENT AND SEVENTH AMENDMENT TO AGREEMENT OF PURCHASE AND SALE

THIS REINSTATEMENT AND SEVENTH AMENDMENT TO AGREEMENT OF PURCHASE AND SALE (this "***Reinstatement***") is made as of April 23, 2009 by and between **WEST ADAMS INVESTMENT TRUST** ("***Seller***"), and **COMMUNITY IMPACT DEVELOPMENT II, LLC**, its successors and/or assigns ("***Buyer***").

RECITALS:

WHEREAS, Seller and Assignor (as defined below) had previously entered into that certain Agreement of Purchase and Sale dated as of April 11, 2008 (the "***Initial Agreement***"), as amended by that certain First Amendment to Agreement of Purchase and Sale dated as of July 11, 2008 (the "***Amendment***");

WHEREAS, the Purchase Agreement expired by its terms and the transactions contemplated therein were not completed;

WHEREAS, Seller and Assignor entered into that certain Reinstatement and Second Amendment to Agreement of Purchase and Sale dated November 13, 2008 (the "***Reinstatement***") to reinstate the Purchase Agreement and modify certain terms of the Purchase Agreement;

WHEREAS, Community Impact Development I, LLC ("***Assignor***") and Buyer entered into that certain Assignment and Assumption Agreement dated November 19, 2008 (the "***Assignment***") in which Assignor assigned its Initial Agreement to Buyer;

WHEREAS, the Reinstatement was further amended by that certain Third Amendment to Agreement of Purchase and Sale dated November 19, 2008; that certain Fourth Amendment to Agreement of Purchase and Sale dated December 5, 2008; that certain Fifth Amendment to Agreement of Purchase and Sale dated December 12, 2008; and that certain Sixth Amendment to Agreement of Purchase and Sale dated December 19, 2008 (collectively the "***Amendments***"; collectively, the Initial Agreement, the Amendments, the Assignment and the Reinstatement are referred to herein as the "***Purchase Agreement***") with respect to certain premises described therein (the "***Property***");

WHEREAS, on December 31, 2008 Buyer terminated the Purchase Agreement and the transactions contemplated therein were not completed;

WHEREAS, Seller and Buyer have agreed to reinstate, modify and amend the Purchase Agreement, according to the terms herein;

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, Buyer and Seller hereby acknowledge and agree as follows and the Agreement is reinstated, modified and amended as follows:

This is to certify that this is a true
and correct copy of the original.
NORTH AMERICAN TITLE COMPANY

BY _____
ESCROW DEPARTMENT

Section 1. Reinstatement. Seller and Buyer hereby acknowledge and agree that the Purchase Agreement is hereby reinstated as of the date hereof to the same extent as if no termination had occurred thereunder, and all terms and conditions of the Purchase Agreement shall continue in full force and effect, except as modified herein.

Section 2. Effective Date. Seller and Buyer hereby acknowledge and agree that the Effective Date of the Purchase Agreement is April 23, 2009.

Section 3. Purchase Price. Seller and Buyer hereby acknowledge and agree that the Purchase Price shall be Nine Million Seven Hundred Seventy Thousand and no/100 Dollars ($9,770,000).

Section 4. Earnest Money. In order for this Agreement to be effective, Buyer shall deliver to Escrow Agent (as defined in the Purchase Agreement) the sum of One Hundred Thousand Dollars ($100,000) (the "***Earnest Money***") within five (5) business days after execution of this Reinstatement, and notwithstanding anything to the contrary contained in Section 3.3 of the Purchase Agreement, the Escrow Agent shall immediately release to Seller such Earnest Money and it shall be non-refundable to Buyer for any reason.

Section 5. Lease. Buyer acknowledges that the Tenant (as defined in the Purchase Agreement) holds a leasehold interest in the Property, and Buyer agrees that its purchase of the Property shall be subject to such lease.

Section 6. Closing Date. Seller and Buyer hereby acknowledge and agree that the Closing Date shall be May 15, 2009.

Section 7. Notice Addresses. Section 1.3 of the Purchase Agreement shall be entirely deleted and replaced with the following:

Seller:	West Adams Investment Trust 14724 Ventura Blvd. Suite 600, Sherman Oaks, CA 91403 Attention: Joe Haydel Facsimile: 818-907-8484
Buyer:	COMMUNITY IMPACT DEVELOPMENT II, LLC c/o DVD CID II, LLC 2930 East Camelback Road Suite 215 Phoenix, AZ 85016 Attention: Essie Safaie Facsimile: 602-468-2775
With a copy to:	Kutak Rock LLP The Omaha Building 1650 Farnam Street Omaha, NE 68102 Attention: Beth M. Ascher Facsimile: 402-346-1148

This is to certify that this is a true and correct copy of the original.
NORTH AMERICAN TITLE COMPANY
BY _____
ESCROW DEPARTMENT

Section 8. Effect. To be effective, this Reinstatement must by executed by Buyer and Seller on or before April 23, 2009. Except as amended or otherwise modified hereby, the Purchase Agreement shall remain unmodified and in full force and effect. The terms and conditions hereof and of the Purchase Agreement may not be modified, amended, altered or otherwise affected except by an instrument in writing executed by Buyer and Seller. All capitalized terms not otherwise defined herein shall have the same meaning ascribed to such terms in the Purchase Agreement.

Section 9. Counterparts. This Reinstatement may be executed in several counterparts, and all so executed shall constitute one instrument binding on the parties hereto.

[REMAINDER OF PAGE BLANK; SIGNATURE PAGE FOLLOWS]

This is to certify that this is a true
and correct copy of the original.
NORTH AMERICAN TITLE COMPANY

BY_____
ESCROW DEPARTMENT

CID-II 00041

In witness whereof, Seller and Buyer have executed this Reinstatement as of the date first above written.

COMMUNITY IMPACT DEVELOPMENT II, LLC, a Delaware limited liability company

By: DVD CID II, LLC,
a Delaware limited liability company
Its: Managing Member

By: Dudley Ventures Development, LLC
a Delaware limited liability company
Its: Managing Member

By: _____
Essie Safaie
Its: Authorized representative

WEST ADAMS INVESTMENT TRUST

By: _____
Name: Kevin Johnson, GP
Its: Trustee Indymen Restoration Group LP

By: _____
Name: Joseph Haydel
Its: Trustee

This is to certify that this is a true and correct copy of the original.
NORTH AMERICAN TITLE COMPANY

BY _____
ESCROW DEPARTMENT

EXHIBIT 30

GOLDEN STATE MUTUAL BUILDING
1999 West Adams Boulevard
Los Angeles, Los Angeles County, California 90018
CBRE File No. 08-251LA-1111

Summary Appraisal Report

Prepared for:

Essie Safaie
Director of Development
COMMUNITY IMPACT DEVELOPMENT I, LLC
C/O DUDLEY VENTURES DEVELOPMENT LLC
2930 East Camelback Road, Suite 215
Phoenix, AZ 85016

VALUATION & ADVISORY SERVICES

CBRE
CB RICHARD ELLIS

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CBRE
CB RICHARD ELLIS

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www.cbre.com

October 6, 2008

Essie Safaie
Director of Development
COMMUNITY IMPACT DEVELOPMENT I, LLC
C/O DUDLEY VENTURES DEVELOPMENT LLC
2930 East Camelback Road, Suite 215
Phoenix, AZ 85016

RE: Appraisal of Golden State Mutual Building
1999 West Adams Boulevard
Los Angeles, Los Angeles County, California
CBRE File No 08-251LA-1111

Dear Mr. Safaie:

At your request and authorization, CB Richard Ellis (CBRE) has prepared an appraisal of the market value of the referenced property. Our analysis is presented in the following Summary Appraisal Report.

The subject consists of single Assessor parcel totaling 70,669 square feet of land, located at the northeast corner of West Adams Boulevard and South Western Avenue, with additional frontage along the east side of South Hobart Boulevard, in the Jefferson Park neighborhood of the City of Los Angeles. The site is improved with a one- and five-story, 1948-built, 54,236-square-foot office building and 115-car surface parking lot. The improvements entirely occupied Golden State Mutual Insurance Company, on a net leased basis through May 31, 2020. The improvements are of good initial construction quality and are currently in fair to average condition. The subject is more fully described legally and physically within the enclosed report.

Land area is based on the publicly available Los Angeles County Assessor plat map for the subject site. We were not provided with a land survey for the site. Should subsequent information become available we reserve the right to amend our value conclusion appropriately.

Publicly available Los Angeles County Assessor building records indicate the improvements are 5,236 square feet. Based on our inspection of the subject this is clearly incorrect but we were unable to determine the reason for this inaccuracy. We were provided with an incomplete copy of the subject lease that did not contain most addenda items, including Exhibits A and B, which describe the leased

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premises and the fixtures, machinery and equipment. We have been informed by our client that the improvements total 54,236 square feet and have relied on this information within our analysis. Should subsequent information become available we reserve the right to amend our value conclusion appropriately.

We were not provided with the current rental rate for the tenant. The lease indicates annual rental rate increases of the lesser of CPI or 3.0 percent. At the request of our client we have assumed 3.0 percent annual increases since the lease began in May 2005. Should subsequent information become available we reserve the right to amend our value conclusion appropriately.

It is our understanding that Community Impact Development I, LLC, an entity related to Dudley Ventures Development LLC, is currently under contract to acquire the subject property for $11,300,000. Apparently the contract price has already been reduced substantially. We were not provided with a copy of the purchase and sale agreement or any other details of the transaction. The transaction has not been finalized and the buyer has indicated that it will base its final purchase price on the appraised value. We have not relied on the reported contract price in our value conclusion.

Based on the analysis contained in the following report, the market value of the subject is concluded as follows:

MARKET VALUE CONCLUSION

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
As Is	Leased Fee Interest	September 22, 2008	$9,400,000

Compiled by CBRE

Data, information, and calculations leading to the value conclusion are incorporated in the report following this letter. The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, our interpretation of the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP) and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

This report was prepared for and may be relied upon by the following entities: Morgan Stanley Mortgage Capital Holdings LLC, Morgan Stanley Bank, and their respective affiliates, and successors and assigns (collectively, "Morgan Stanley") and Dudley Ventures Development, LLC, and their respective affiliates and successors and assigns, with respect to any loan(s) placed on the property described n the report. Any rating agency or issuer or purchaser of any security collateralized or otherwise backed by such loan(s) may further rely upon the report. We also consent to the inclusion of this report in any form, whether in paper or digital format, including any electronic media such as CD-ROM or the internet, in the Prospectus Supplement relating to any Morgan Stanley "Securitization" (defined as an offering of debt securities that, as applicable, are registered with the Securities Exchange Commission pursuant to the Securities Act of 1933, as amended (the "Act"), or are privately placed pursuant to an exemption from the Act, in which the property reported upon may be part of a

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pool of properties owned by various non-affiliated owners collateralizing such offering), and we consent to the reference to our firm under the caption "Experts" in such Prospectus Supplement.

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES

Robert W. Gutzman, MAI
Vice President
California Certification No. AG025646

Phone: (213) 613-3683
Fax: (213) 613-3131
Email: Bob.Gutzman@cbre.com

Mark S. Moniz
Appraiser

Phone: (213) 613-3036
Fax: (213) 613-3131
Email: Mark.Moniz@cbre.com

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CERTIFICATION OF THE APPRAISAL

We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of California.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. As of the date of this report, Robert W. Gutzman, MAI has completed the continuing education program of the Appraisal Institute.
11. Mark S. Moniz has made a personal inspection of the property that is the subject of this report. Robert W. Gutzman, MAI has inspected the property from the exterior only.
12. Mark S. Moniz is an employee of CB Richard Ellis Valuation & Advisory Services working as an Appraiser for Robert W. Gutzman, MAI. Mr. Moniz is unlicensed but working toward his appraisal license requirements. Mr. Moniz provided significant professional assistance in the completion of this appraisal. The scope of Mr. Moniz's work consisted of market research and analysis of market and subject data for the subject. All of Mr. Moniz's work was completed under the direct technical supervision of Robert W. Gutzman, MAI. The final conclusion to value is made by and the appraisal is signed by Robert W. Gutzman, MAI and Mark S. Moniz (as this is not a federally regulated transaction).

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13. Valuation & Advisory Services operates as an independent economic entity within CBRE. Although employees of other CBRE divisions may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy are maintained at all times with regard to this assignment without conflict of interest.

Robert W. Gutzman, MAI
California Certification No. AG025646

Mark S. Moniz

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NORTHEASTERLY VIEW OF THE SUBJECT

SOUTHERLY VIEW (REAR) OF THE SUBJECT, FROM PARKING LOT

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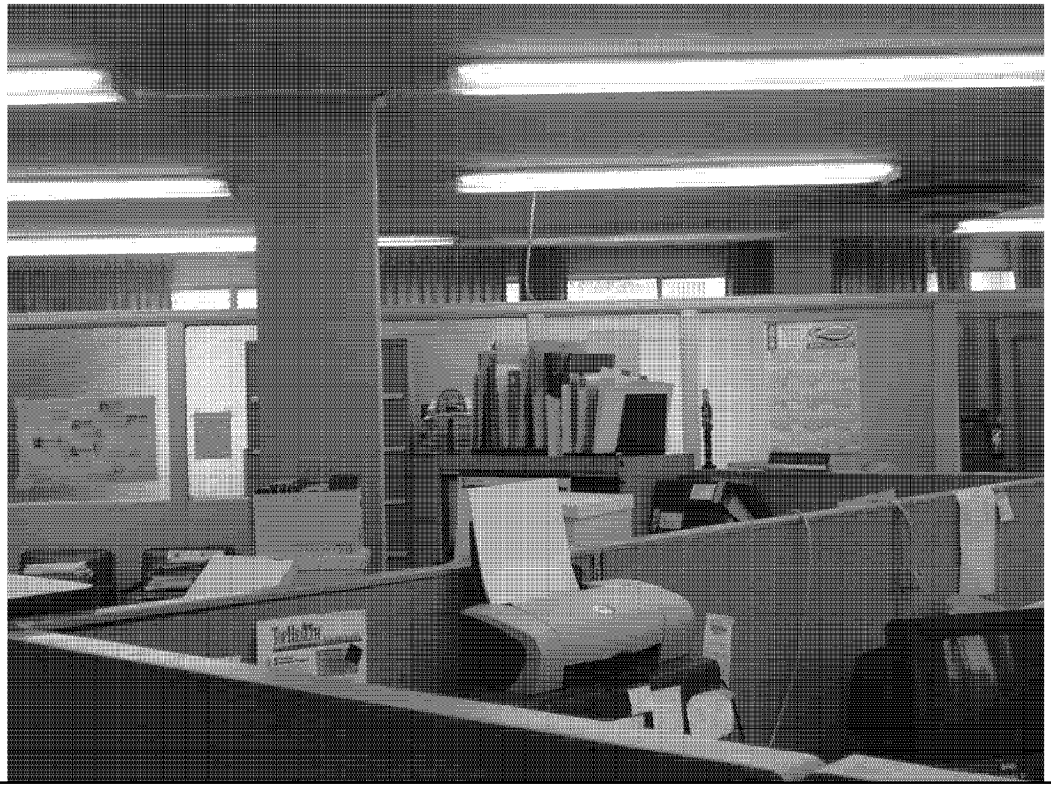
LOBBY



TYPICAL OFFICE SPACE

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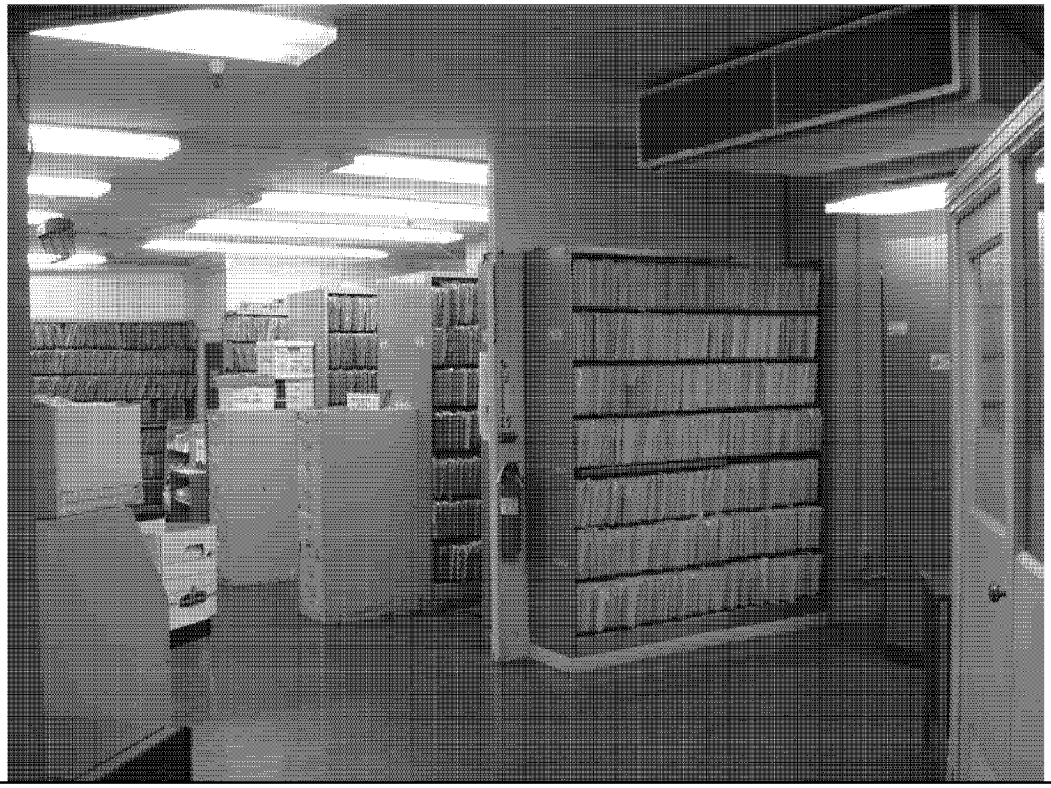
TYPICAL OFFICE SPACE



BASEMENT STORAGE

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BREAK ROOM

AUDITORIUM

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WESTERLY VIEW ALONG WEST ADAMS BOULEVARD

EASTERLY VIEW ALONG WEST ADAMS BOULEVARD

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NORTHERLY VIEW ALONG SOUTH WESTERN AVENUE

SOUTHERLY VIEW ALONG SOUTH WESTERN AVENUE

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NOTHERLY VIEW ALONG HOBART BOULEVARD

SOUTHERLY VIEW ALONG HOBART BOULEVARD

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SUMMARY OF SALIENT FACTS

Property Name	Golden State Mutual Building	
Location	1999 West Adams Boulevard, Los Angeles, Los Angeles County, CA 90018	
Assessor's Parcel Number	5058-015-005	
Highest and Best Use		
As Vacant	Office	
As Improved	Office	
Property Rights Appraised	Leased Fee Interest	
Land Area	1.62 AC	70,669 SF
Improvements		
Property Type	Office	(Owner-User)
Number of Buildings	1	
Number of Stories	5	
Gross Building Area	54,236 SF	
Net Rentable Area	54,236 SF	
Year Built	1948	
Condition	Fair to Average	
Major Tenants		
Golden State Mutal Life Insurance Company	54,236 SF	
Estimated Exposure Time	6 Months	
Financial Indicators		
Current Occupancy	100.0%	
Stabilized Occupancy	96.0%	
Stabilized Credit Loss	1.0%	
Estimated Lease-up Period	6 Months	
Overall Capitalization Rate	6.00%	

Pro Forma Operating Data	***Total***	***Per SF***
Effective Gross Income	$961,438	$17.73
Operating Expenses	$400,113	$7.38
Expense Ratio	41.62%	
Net Operating Income	$561,325	$10.35

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VALUATION	*Total*	*Per SF*
Sales Comparison Approach	$9,800,000	$180.69
Income Capitalization Approach	$9,400,000	$173.32

CONCLUDED MARKET VALUE			
Appraisal Premise	**Interest Appraised**	**Date of Value**	**Value**
As Is	Leased Fee Interest	September 22, 2008	$9,400,000

Compiled by CBRE

EXTRAORDINARY ASSUMPTIONS & HYPOTHETICAL CONDITIONS

The following extraordinary assumptions or hypothetical conditions have been used in the report:

- Land area is based on the publicly available Los Angeles County Assessor plat map for the subject site. We were not provided with a land survey for the site. Should subsequent information become available we reserve the right to amend our value conclusion appropriately.
- Publicly available Los Angeles County Assessor building records indicate the improvements are 5,236 square feet. Based on our inspection of the subject this is clearly incorrect but we were unable to determine the reason for this inaccuracy. We were provided with an incomplete copy of the subject lease that did not contain most addenda items, including Exhibits A and B, which describe the leased premises and the fixtures, machinery and equipment. We have been informed by our client that the improvements total 54,236 square feet and have relied on this information within our analysis. Should subsequent information become available we reserve the right to amend our value conclusion appropriately.
- We were not provided with the current rental rate for the tenant. The lease indicates annual rental rate increases of the lesser of CPI or 3.0 percent. At the request of our client we have assumed 3.0 percent annual increases since the lease began in May 2005. Should subsequent information become available we reserve the right to amend our value conclusion appropriately.
- It is our understanding that Community Impact Development I, LLC, an entity related to Dudley Ventures Development LLC, is currently under contract to acquire the subject property for $11,300,000. Apparently the contract price has already been reduced substantially. We were not provided with a copy of the purchase and sale agreement or any other details of the transaction. The transaction has not been finalized and the buyer has indicated that it will base its final purchase price on the appraised value. We have not relied on the reported contract price in our value conclusion.

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TABLE OF CONTENTS

CERTIFICATION OF THE APPRAISAL i
SUMMARY OF SALIENT FACTS x
TABLE OF CONTENTS xii
INTRODUCTION 1
LOCATION ANALYSIS 5
MARKET ANALYSIS 13
SITE ANALYSIS 19
IMPROVEMENTS ANALYSIS 22
HIGHEST AND BEST USE 25
APPRAISAL METHODOLOGY 26
SALES COMPARISON APPROACH 27
INCOME CAPITALIZATION APPROACH 31
RECONCILIATION OF VALUE 40
ASSUMPTIONS AND LIMITING CONDITIONS 41
ADDENDA
A Glossary of Terms
B Improved Sale Data Sheets
C Rent Comparable Data Sheets
D Grant Deeds & Legal Descriptions
E Assessor's Property Information
F Qualifications

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INTRODUCTION

Property Identification:	Golden State Mutual Building	
Location:	1999 West Adams Boulevard, Los Angeles, CA	
Assessor's Parcel Number:	5058-015-005	
Property History:		
Current Contract Price:	$11,300,000	
Current Owner:	West Adams Investment Trust	
Sale Date:	8/31/2006	
Sale Price:	$8,050,000	
Other Sales - Past 3 Years:	5/20/2005; $7,070,000	
Property Rights Appraised:	Leased Fee Interest	
Date of Value:	September 22, 2008	
Date of Inspection:	September 22, 2008	
Date of Report:	October 6, 2008	
Intended Use & User of Report:	To aid Community Impact Development I, LLC in internal decisions	
Special Appraisal Instructions:	None	
Exposure Time Information:	***Range***	***Average***
Comparable Sales Data:	4.0 to 48.0 Months	18.5 Months
National Investor Survey:	5.0 to 9.0 Months	6.7 Months
Local Market Professionals:	3.0 to 12.0 Months	6.0 Months
Estimated Exposure Time:	6 Months	
Estimated Marketing Time:	6 Months	

The existing tenant was the original owner-user of the property and entered into a sale and leaseback in May 2005. No details of either transaction were provided to us. The information above is based on recorded documents.

It is our understanding that Community Impact Development I, LLC, an entity related to Dudley Ventures Development LLC, is currently under contract to acquire the subject property for $11,300,000. Apparently the contract price has already been reduced substantially. We were not provided with a copy of the purchase and sale agreement or any other details of the transaction. The

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transaction has not been finalized and the buyer has indicated that it will base its final purchase price on the appraised value. We have not relied on the reported contract price in our value conclusion.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the subject property. The current economic definition of market value agreed upon by agencies that regulate federal financial institutions in the U.S. (and used herein) is as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. [1]

TERMS AND DEFINITIONS

The Glossary of Terms in the addenda provides definitions for additional terms that are, and may be used in this appraisal.

SCOPE OF WORK

The scope of the assignment relates to the extent and manner in which research is conducted, data is gathered and analysis is applied, all based upon the following problem-identifying factors stated elsewhere in this report:

- Client
- Intended use
- Intended user
- Type of opinion
- Effective date of opinion
- Relevant characteristics about the subject
- Assignment conditions

[1] Office of Comptroller of the Currency (OCC), 12 CFR Part 34, Subpart C – Appraisals, 34.42 (g); Office of Thrift Supervision (OTS), 12 CFR 564.2 (g); Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 4th ed. (Chicago: Appraisal Institute, 2002), 177-178. This is also compatible with the RTC, FDIC, FRS and NCUA definitions of market value as well as the example referenced in the *Uniform Standards of Professional Appraisal Practice (USPAP)*.

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This appraisal of the subject has been presented in the form of a Summary Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the USPAP. That is, this report incorporates a summary of all information significant to the solution of the appraisal problem. It also includes summary descriptions of the subject and the market for the subject type.

Extent to Which the Property is Identified

CBRE collected the relevant information about the subject from the client (or representatives), public records and through an inspection of the subject. The property was legally identified through its postal address, assessor's parcel number(s) and legal description. Economic characteristics of the subject were identified via an analysis of the subject lease and current market data. Although requested, we were not provided with operating statements for the subject property.

Extent to Which the Property is Inspected

Mark S. Moniz inspected both the interior and exterior of the subject, as well as its surrounding environs on the effective date of appraisal. Robert W. Gutzman, MAI inspected only the exterior of the subject property.

Type and Extent of the Data Researched

CBRE reviewed the micro and/or macro market environments with respect to physical and economic factors relevant to the valuation process. This process included interviews with regional and/or local market participants, available published data, and other various resources. CBRE also conducted regional and/or local research with respect to applicable tax data, zoning requirements, flood zone status, demographics, income and expense data, and comparable listing, sale and rental information.

Type and Extent of Analysis Applied

CBRE analyzed the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value. Approaches to value used include sales comparison and income capitalization approaches. The cost approach was not used because it is not generally used by buyers and sellers of this property type within the subject market. The steps required to complete each approach are discussed in the methodology section. CBRE then correlated and reconciled the results into a reasonable and defensible value conclusion, as defined herein. A reasonable exposure time and marketing time associated with the value estimate presented has also been concluded.

Mark S. Moniz is an employee of CB Richard Ellis Valuation & Advisory Services working as an appraisal assistant for Robert W. Gutzman, MAI. Mark S. Moniz is unlicensed but is working toward his appraisal license requirements. According to the OREA, an individual who is unlicensed may obtain appraisal experience in any of the following ways:

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- By providing "significant real property appraisal assistance" to a licensed appraiser and having the duties the unlicensed individual performs properly identified in the appraisal report. If the unlicensed individual performs at least 75% of the professional appraisal work and the appraisal conforms to USPAP, the experience can qualify under Category 10 (Assistance in the Preparation of Appraisals), up to a maximum of 400 hours;

- By performing the entire appraisal process under the direct technical supervision of a licensed appraiser. The final conclusion to value is made by and the appraisal is signed by the licensed appraiser, with the unlicensed individual's duties property identified in the report. If the unlicensed individual performs all appraisal methods customarily used for the assignment and the appraisal conforms to USPAP, the experience can qualify under Category 1 (Fee and Staff Appraisal); or

- By performing appraisals in non-federally related transactions. If the appraisals were performed for a business purpose and conform to USPAP, the experience can qualify under Category 1.

Note: Individuals unlicensed in California may not sign appraisals in federally related transactions, even if co-signed by a licensed appraiser.

Mark S. Moniz provided significant professional assistance in completion of this appraisal report. Mark S. Moniz inspected the subject property and all the market data. He also completed the entire appraisal process (regional, neighborhood, market, site, improvement, highest & best use, all applicable approaches to value) under the direct technical supervision of Robert W. Gutzman, MAI. The final conclusion to value is made by and the appraisal is signed by Robert W. Gutzman, MAI and Mark S. Moniz (as this is not a federally regulated transaction).

SPECIAL APPRAISAL INSTRUCTIONS

None

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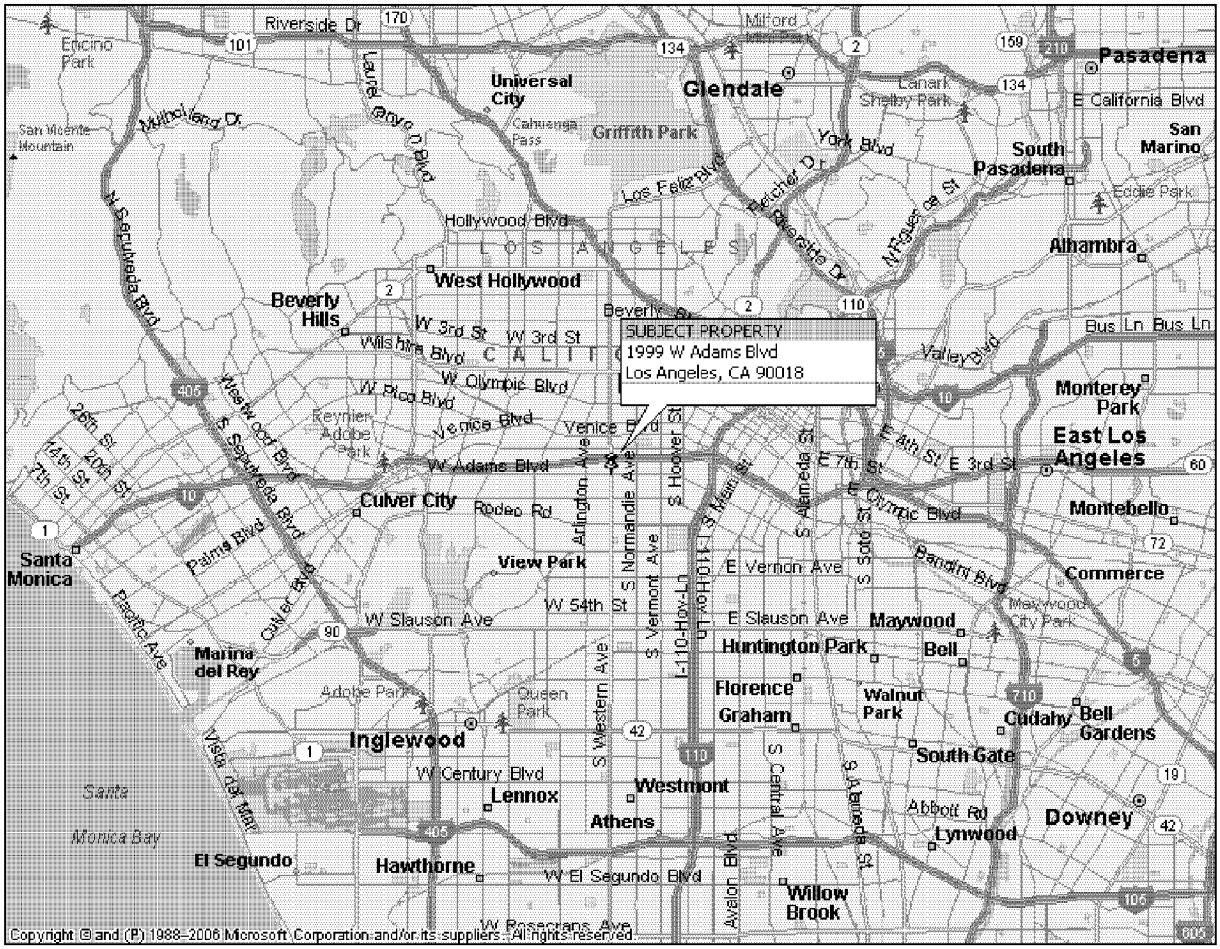
LOCATION ANALYSIS

The subject property is located in the Jefferson Park neighborhood of the city of Los Angeles. The subject is situated within the South Los Angeles (formerly South Central Los Angeles) Community Plan Area and is approximately four blocks (one-quarter mile) east of the boundary of the West Adams/Baldwin Hills/Leimert Community Plan Area, as designated in the City of Los Angeles General Plan. Provided on the following pages is a general description of the subject neighborhood and the immediate surroundings.

LOCATION MAP



CITY OF LOS ANGELES

The city of Los Angeles encompasses 468.8 square miles. Its geographic boundaries are highly irregular owing to the incorporation of numerous cities within its overall boundaries. The city is characterized by two large, generally contiguous land areas. These are the San Fernando Valley, and

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the area extending west from downtown to the West Hollywood/Beverly Hills city limits. A narrow leg of the city extends south from downtown Los Angeles to include the community of San Pedro and the Port of Los Angeles.

Due to its geographic size and diversity, economic indicators in the city of Los Angeles have generally followed trends in Los Angeles County. The city is experiencing slow to moderate growth in employment. Manufacturing employment, which over the past 10 years has shifted to non-durable goods, continues to decline. Noting this, several industries, most notably garment manufacturing and food processing; have remained stable or increased. FIRE employment appears to have stabilized after several years of significant decline (particularly in the downtown Los Angeles Central Business District). The services sector (specifically business and health services) has been, and is expected to, account for most of the job growth. The entertainment industry, which has been a driving force behind the current regional economic growth, has been increasing its presence in the western portion of the city. Despite the preceding, economic growth in the city of Los Angeles is lagging the region overall.

SOUTH LOS ANGELES COMMUNITY PLAN AREA

The subject is located in the Jefferson Park neighborhood within the South Los Angeles community, as defined by the City of Los Angeles General Plan. A description of this area is presented below.

Boundaries

The South Central Los Angeles Community Plan area located approximately 3 miles southwest of Downtown Los Angeles contains approximately 9,881 acres or approximately 15.8 square miles of land area. It is bounded on the north by Pico Boulevard, on the east by Figueroa Street and Broadway, 120th Street and the County of Los Angeles form the southern boundary and Van Ness/Arlington Avenues form the boundary of the Community on the west.

Transportation

Regional access is provided by the Santa Monica Freeway (Interstate 10), on the north, and the Harbor Freeway (Interstate 110) to the east. Major north/south thoroughfares within the neighborhood include Western and Vermont avenues. Major east/west thoroughfares include Pico, Venice, Washington, Adams, Jefferson, Exposition and Martin Luther King boulevards, along with Vernon, Slauson, Florence and Manchester avenues.

Downtown Los Angeles is located less than five miles northeast of the subject property. Los Angeles International Airport is located less than 10 miles to the southwest. Public transportation is provided by the LA Metro bus system.

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Land Use

Land use within the subject neighborhood is primarily residential with commercial services located on the major arteries. According to the Los Angeles Department of Planning, land use in the area is 24.9 percent single family residential, 22.8 percent multi-family residential, 10.0 percent commercial, 3.2 percent industrial, and 8.7 percent public use (open space and public facilities). The neighborhood is built out and new construction requires demolition of existing structures. The residential neighborhoods were built in the 1940's and 1950's.

The University of Southern California and Exposition Park are dominant land uses in the northeast portion of the plan area. The University of Southern California is also one of the largest private employers in Los Angeles.

Growth Patterns

The residential communities within the subject area are generally stabilized and redevelopment has been limited.

Several areas have been identified by the City Council and City Planning Department as major opportunity sites. The designation has been applied to areas which have the potential to generate significant impacts within the surrounding neighborhood. In identifying these areas consideration was given to: the community identity or uniqueness of a area; the unimproved or underdeveloped nature/acreage of the area; the potential build out created by new development; the potential for jobs that new development could bring; the adequacy of the existing and proposed infrastructure; and the adequacy of the existing and proposed infrastructure. These include the following:

- Exposition Park – Located just south of the University of Southern California, Exposition Park is home to a number of museums and sporting facilities, including the Los Angeles Memorial Coliseum, the Los Angeles Sports Arena, Los Angels Swim Stadium, Natural History Museum, California Science Center and African American Museum. While it seems unlikely a professional football team will return to the Coliseum, Exposition Park has benefited from several development and redevelopment projects in recent years, including the California Science Center, Science Center School, Exposition Park Intergenerational School and the Jesse Brewer Jr. Park.

- Southwest Industrial Area (Slauson/Gage) – This is one of the few significant industrial areas in the South Los Angeles Community Plan area. It contains older industrial plants and some parcels which currently serve as vehicle storage areas. Several efforts are underway to induce redevelopment in this area but there has been limited new construction to date.

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- Vermont/Manchester – The Vermont/Manchester Area and Corridor are subjects of several studies which have indicated specific development guidelines and standards for property located within the boundaries. The coordination of these into a coherent design and development plan is appropriate. This location contains vacant and underutilized parcels, is part of a major transportation corridor and contains significant community resources that City Planners believe could be mobilized in the redevelopment of the area.

- The Figueroa Corridor – This is a major arterial link between Downtown Los Angeles and the inner city areas of Los Angeles. Most redevelopment has occurred at the north end of the South Los Angeles Community Plan Area and further north in Downtown Los Angeles, in proximity to Exposition Park, The University of Southern California and the Los Angeles Convention Center. South of these locations the Corridor provides a repetition of uses that have not necessarily been advantageous to the quality of life in the neighborhood; such as, certain motels, some auto-related uses and liquor stores.

Within the neighboring West Adams/Baldwin Hills/Leimert community plan area commercial growth has occurred along Crenshaw Boulevard. The most significant project was the redevelopment of the Baldwin Hills/Crenshaw Plaza. It was renovated in January 2003 and is anchored by Wal Mart, Sears, Robinsons May, T.J. Maxx and a Magic Johnson 15-plex Theatre. Also, the redevelopment of the West Angeles Cathedral was completed in April 2001 and seats 5,000 parishioners.

Demographics

We have ordered a demographic report for the immediate neighborhood, the city of Los Angeles and Los Angeles County from Claritas, Inc. Data from this report is summarized in the following chart.

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SELECTED NEIGHBORHOOD DEMOGRAPHICS

Western & Adams Los Angeles, CA	Radius 1.0 Mile	Radius 3.0 Mile	County of Los Angeles	City of Los Angeles
Population				
2013 Population	68,076	652,462	4,157,092	10,767,153
2008 Population	65,061	617,363	3,954,633	10,224,764
2000 Population	61,562	570,694	3,694,681	9,519,338
1990 Population	61,012	557,982	3,487,536	8,863,128
Annual Growth 2008 - 2013	0.91%	1.11%	1.00%	1.04%
Annual Growth 2000 - 2008	0.69%	0.99%	0.85%	0.90%
Annual Growth 1990 - 2000	0.09%	0.23%	0.58%	0.72%
Households				
2013 Households	20,204	211,690	1,406,009	3,466,898
2008 Households	19,382	201,091	1,348,235	3,321,181
2000 Households	18,422	186,776	1,275,368	3,133,774
1990 Households	17,991	180,736	1,218,083	2,989,542
Annual Growth 2008 - 2013	0.83%	1.03%	0.84%	0.86%
Annual Growth 2000 - 2008	0.64%	0.93%	0.70%	0.73%
Annual Growth 1990 - 2000	0.24%	0.33%	0.46%	0.47%
Income				
2008 Median HH Inc	$28,949	$28,252	$44,430	$51,847
2008 Estimated Average Household Income	$41,333	$42,791	$69,317	$75,069
2008 Estimated Per Capita Income	$12,544	$14,183	$23,965	$24,660
Age 25+ College Graduates - 2000	8.0%	13.3%	23.3%	24.9%
Owner Occupied Housing Units - 2000	23.5%	19.2%	38.6%	47.9%
Renter Occupied Housing Units - 2000	76.5%	80.8%	61.4%	52.1%

Source: CBRE

The subject neighborhood is characterized by significantly lower income, education and homeownership levels, relative to both the City of Los Angeles and Los Angeles County as a whole. Over the next five years population and household growth within a three-mile radius of the subject are projected to outpace the City and County, while growth levels within a one-mile radius are projected to be relatively similar to the City and County.

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NEIGHBORHOOD MAP

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IMMEDIATE SURROUNDINGS

The subject is located at the northeast corner of Adams Boulevard and Western Avenue, with additional frontage along the west side Hobart Boulevard. Regional access is primarily via the Santa Monica Freeway (Interstate 10), which runs in an east-west direction and has full on- and off-ramps approximately a half-mile north of the subject, via Western Avenue. Surrounding land uses are primarily residential, with commercial uses along major thoroughfares like Adams Boulevard and Western Avenue. Much of the residential stock is comprised of classic Victorian residences, many of which are owned by local church and community groups and sometimes used as office.

IMMEDIATE SURROUNDINGS

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Adjacent to the east of the subject, at the northwest corner of Adams and Hobart boulevards, is a strip shopping center and surface parking lot.

East of the subject Adams is generally improved with older retail and commercial buildings with some mixed-use and residential properties. West of the subject Adams Boulevard is improved primarily with older multifamily development.

Across Adams Boulevard is a four-story office building and surface parking lot, extending from Hobart Boulevard to Western Avenue. South of this Western Avenue is generally improved with older retail and commercial uses. South of the subject Hobart Boulevard is generally improved with older single-family and multifamily residential.

At the northwest corner of Adams Boulevard and Western Avenue is a large nursing home comprised of several buildings and dominating the rest of the block. North of this, in the west side of Western Avenue, is a convalescent home that extends to the southwest corner of 24th Street. The Los Angeles Metropolitan Hospital is located at the northwest corner of 24th Street and Western Avenue.

CONCLUSION

The subject property is located in an established community with good regional access. The neighborhood is primarily residential with commercial and retail uses located along the major arteries. There is limited vacant land available for new development.

The subject site has good local access via Western Avenue and Adams Boulevard. Surrounding uses include low- and medium-density residential, office and medical.

Overall, the subject neighborhood is considered stable, with limited changes in its relative desirability expected over the next three to five years.

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MARKET ANALYSIS

The subject is a 1948-built, five-story, 54,236-square-foot single-tenant office building. It is leased through May 2020 to the Golden State Mutual Life Insurance Company, which originally developed the building.

The market analysis forms a basis for assessing market area boundaries, supply and demand factors, and indications of financial feasibility. Primary data sources utilized for this analysis include CoStar.

COSTAR OFFICE MARKET SUMMARY

A CoStar Office Survey was completed in order to provide an overview of the subject's immediate office submarket. The parameters of the survey include all office buildings located in the area bound by the Santa Monica (10) Freeway to the north, the Interstate 105 Freeway to the south, the Harbor (110) Freeway to the east, and La Cienega Boulevard to the west. The surveyed area is generally referred to as South Los Angeles. The survey was presented on the next page.

The existing office stock (buildings larger than 10,000 square feet) in the surveyed area totals 4,088,837 square feet in 108 buildings. There is 489,450 square feet of available space (current vacant plus pending), deriving an availability rate of 12.0 percent. The quoted rents average $2.07 per square foot per month, full service gross.

The data is skewed somewhat by the inclusion of the Wateridge office park, a 1988-built 306,305-square-foot office campus on 21-acres at the northeast corner of La Cienega Boulevard and Slauson Avenue. It is just east of the Fox Hills area of Culver City. It accounts for 8.1 percent of the total inventory but 35.9 percent of the available space with an asking rent of $2.42 to 2.85 per square foot per month, full service gross.

Excluding Wateridge, the available space totals 313,561 square feet, or an availability rate of 8.3 percent based on the revised inventory of 3,782,532 square feet.

Overall, the CoStar data shows the subject office submarket is characterized by a small number of offices that exhibit a 100 percent occupancy level. Local brokers report there is good demand for office space in market area and the lack of new construction has assisted in stable occupancies and slowly increasing rental rates. The survey is presented on the next three pages.

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Availability and Vacancy Building List

Building Address	Existing Rentable Bldg Area	Direct SF Vacant	Direct % Vacant	Total SF Vacant	Total % Vacant	Total SF Available	Direct SF Available	Sublet SF Available	Max SF Contig	Avg Rate
3220 W 85th St	13,900	0	0.0%	0	0.0%	0	0	0	0	-
426 E 99th St	13,500	0	0.0%	0	0.0%	0	0	0	0	-
650 W Adams	138,000	0	0.0%	0	0.0%	0	0	0	0	-
1105-1115 W Adams Blvd	21,407	0	0.0%	0	0.0%	0	0	0	0	-
1990 W Adams Blvd	0	0	-	0	-	0	0	0	0	-
1999 W Adams Blvd	54,236	0	0.0%	0	0.0%	0	0	0	0	-
2160 W Adams Blvd	26,000	0	0.0%	0	0.0%	0	0	0	0	-
261 W Beach Ave	208,887	0	0.0%	0	0.0%	0	0	0	0	-
4050 Buckingham Rd	10,788	0	0.0%	0	0.0%	0	0	0	0	-
1234 Centinela Ave	11,228	0	0.0%	0	0.0%	0	0	0	0	-
1620 Centinela Ave	11,630	0	0.0%	0	0.0%	0	0	0	0	-
1625 Centinela Ave	11,000	0	0.0%	0	0.0%	0	0	0	0	-
Century Blvd @ Prarie Ave	0	0	-	0	-	0	0	0	0	-
3402 W Century Blvd	18,648	0	0.0%	0	0.0%	0	0	0	0	-
4632 W Century Blvd	10,437	0	0.0%	0	0.0%	0	0	0	0	-
2900 Crenshaw Blvd	23,000	0	0.0%	0	0.0%	0	0	0	0	-
3667 Crenshaw Blvd	14,868	0	0.0%	0	0.0%	0	0	0	0	-
3683 Crenshaw Blvd	30,426	0	0.0%	0	0.0%	0	0	0	0	-
3840 Crenshaw Blvd	12,465	0	0.0%	0	0.0%	0	0	0	0	-
3876 Crenshaw Blvd	29,856	0	0.0%	0	0.0%	0	0	0	0	-
4306 Crenshaw Blvd	12,469	0	0.0%	0	0.0%	0	0	0	0	-
4343 Crenshaw Blvd	11,782	0	0.0%	0	0.0%	0	0	0	0	-
4401 Crenshaw Blvd	57,500	0	0.0%	0	0.0%	10,000	10,000	0	10,000	$13.50/fs
4625 Crenshaw Blvd	18,014	0	0.0%	0	0.0%	0	0	0	0	-
4704-4708 Crenshaw Blvd	12,581	0	0.0%	0	0.0%	0	0	0	0	-
6030 Crenshaw Blvd	20,018	0	0.0%	0	0.0%	0	0	0	0	-
8443 Crenshaw Blvd	16,645	0	0.0%	0	0.0%	0	0	0	0	-
11161 Crenshaw Blvd	16,037	4,098	25.6%	4,098	25.6%	8,798	4,098	4,700	1,747	$25.63/nnn
5401 S Crenshaw Blvd	26,690	0	0.0%	0	0.0%	0	0	0	0	-
441 Exposition Blvd	10,199	0	0.0%	0	0.0%	0	0	0	0	-
7226-7300 S Figueroa NE	20,447	0	0.0%	0	0.0%	0	0	0	0	-
2303-2321 S Figueroa St	41,238	0	0.0%	0	0.0%	0	0	0	0	-
2601 S Figueroa St	326,504	0	0.0%	0	0.0%	0	0	0	0	-
2700 S Figueroa St	29,628	0	0.0%	0	0.0%	29,628	29,628	0	29,628	-
3500 S Figueroa St	38,618	0	0.0%	0	0.0%	0	0	0	0	-
5260 S Figueroa St	20,000	0	0.0%	0	0.0%	20,000	20,000	0	20,000	-
333 W Florence Ave	87,400	0	0.0%	0	0.0%	0	0	0	0	-
3601 S Flower St	12,281	0	0.0%	0	0.0%	0	0	0	0	-
5100-5110 W Goldleaf Cir	184,643	44,856	24.3%	44,856	24.3%	5,315	5,315	0	3,514	$34.20/fs
5105 W Goldleaf Cir	23,503	0	0.0%	0	0.0%	0	0	0	0	-
5120 W Goldleaf Cir	104,000	18,630	17.9%	18,630	17.9%	18,630	18,630	0	3,161	$34.20/fs
5130 W Goldleaf Cir	0	0	-	0	-	0	0	0	0	-
5140-5150 W Goldleaf Cir	202,305	7,312	3.6%	112,403	55.6%	32,013	7,312	24,701	25,413	$29.10/fs

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Availability and Vacancy Building List

Building Address	Existing Rentable Bldg Area	Direct SF Vacant	Direct % Vacant	Total SF Vacant	Total % Vacant	Total SF Available	Direct SF Available	Sublet SF Available	Max SF Contig	Avg Rate
501 E Hardy St	64,964	0	0.0%	0	0.0%	0	0	0	0	$25.20/fs
555 E Hardy St	169,861	0	0.0%	0	0.0%	0	0	0	0	-
575 E Hardy St	39,000	1,386	3.6%	1,386	3.6%	1,386	1,386	0	1,386	$25.20/fs
10920 Hawthorne Blvd	15,062	0	0.0%	0	0.0%	0	0	0	0	-
336 E Hillcrest Blvd	64,000	44,000	68.8%	44,000	68.8%	44,000	44,000	0	44,000	$18.00/mg
701 E Hyde Park Blvd	14,520	0	0.0%	0	0.0%	0	0	0	0	-
1326 W Imperial Hwy	117,950	0	0.0%	0	0.0%	0	0	0	0	-
2930 W Imperial Hwy	84,800	13,200	15.6%	13,200	15.6%	10,957	10,957	0	2,580	$18.00/fs
3405 W Imperial Hwy	62,663	0	0.0%	0	0.0%	0	0	0	0	-
3501 W Jefferson Blvd	12,089	0	0.0%	0	0.0%	0	0	0	0	-
400 E Kelso St	11,712	0	0.0%	0	0.0%	0	0	0	0	-
101-111 N La Brea Ave	155,462	37,248	24.0%	37,248	24.0%	37,248	37,248	0	7,317	$16.08/fs
110 N La Brea Ave	61,432	0	0.0%	0	0.0%	0	0	0	0	-
520 N La Brea Ave	15,500	0	0.0%	0	0.0%	0	0	0	0	-
811 N La Brea Ave	13,141	0	0.0%	0	0.0%	0	0	0	0	-
1413 N La Brea Ave	10,618	0	0.0%	0	0.0%	0	0	0	0	-
101-105 S La Brea Ave	11,940	0	0.0%	0	0.0%	6,300	0	6,300	6,300	$21.00/nnn
110 S La Brea Ave	60,238	4,016	6.7%	4,016	6.7%	4,016	4,016	0	2,014	$20.40/nnn
158 S La Brea Ave	11,164	0	0.0%	0	0.0%	0	0	0	0	-
160 S La Brea Ave	10,000	0	0.0%	0	0.0%	0	0	0	0	-
214 S La Brea Ave	10,360	0	0.0%	0	0.0%	0	0	0	0	-
801 S La Brea Ave	30,157	0	0.0%	0	0.0%	0	0	0	0	-
3101 La Cienega Blvd	0	0	-	0	-	0	0	0	0	-
3344 S La Cienega Blvd	12,680	775	6.1%	775	6.1%	775	775	0	775	-
3457 S La Cienega Blvd	15,250	0	0.0%	0	0.0%	0	0	0	0	-
106 E Manchester Blvd	24,642	0	0.0%	0	0.0%	0	0	0	0	-
600 W Manchester Ave	11,750	0	0.0%	0	0.0%	0	0	0	0	-
1704 W Manchester Ave	19,936	0	0.0%	0	0.0%	0	0	0	0	-
401 W Manchester Blvd	0	0	-	0	-	0	0	0	0	-
3311 W Manchester Blvd	11,550	0	0.0%	0	0.0%	0	0	0	0	-
3425 W Manchester Blvd	112,000	0	0.0%	0	0.0%	0	0	0	0	-
3750 W Martin Luther King Jr Blvd	21,600	0	0.0%	0	0.0%	21,600	21,600	0	21,600	-
3838 W Martin Luther King Jr Blvd	16,800	0	0.0%	0	0.0%	0	0	0	0	-
3850 W Martin Luther King Jr Blvd	13,997	0	0.0%	0	0.0%	0	0	0	0	-
3856 W Martin Luther King Jr Blvd	16,240	0	0.0%	0	0.0%	0	0	0	0	-
3910 W Martin Luther King Jr Blvd	16,530	0	0.0%	0	0.0%	0	0	0	0	-
100 E Nutwood St	27,516	0	0.0%	0	0.0%	0	0	0	0	-
201-211 N Prairie Ave	10,300	0	0.0%	0	0.0%	0	0	0	0	-
301 N Prairie Ave	84,933	42,223	49.7%	42,223	49.7%	42,223	42,223	0	3,545	$21.00/fs
323 N Prairie Ave	79,302	22,464	28.3%	22,464	28.3%	22,464	22,464	0	6,991	$21.00/mg
101-105 S Prairie Ave	18,290	0	0.0%	0	0.0%	0	0	0	0	-
401 S Prairie Ave	28,029	0	0.0%	0	0.0%	0	0	0	0	-
644 E Regent St	10,545	0	0.0%	0	0.0%	0	0	0	0	-

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Availability and Vacancy Building List

Building Address	Existing Rentable Bldg Area	Direct SF Vacant	Direct % Vacant	Total SF Vacant	Total % Vacant	Total SF Available	Direct SF Available	Sublet SF Available	Max SF Contig	Avg Rate
5051 Rodeo Rd	72,216	72,216	100.0%	72,216	100.0%	72,216	72,216	0	72,216	$30.00/mg
3756 Santa Rosalia Dr	74,912	10,735	14.3%	12,635	16.9%	12,635	10,735	1,900	2,300	$21.61/fs
4314 W Slauson Ave	14,207	0	0.0%	0	0.0%	0	0	0	0	-
4840 W Slauson Ave	12,516	0	0.0%	0	0.0%	0	0	0	0	-
3701 Stocker St	36,696	2,800	7.6%	2,800	7.6%	2,800	2,800	0	2,000	$22.20/fs
3711 Stocker St	0	0	-	0	-	0	0	0	0	-
3731 Stocker St	48,300	0	0.0%	0	0.0%	0	0	0	0	-
3741 Stocker St	19,936	0	0.0%	0	0.0%	0	0	0	0	-
3761 Stocker St	19,936	0	0.0%	0	0.0%	0	0	0	0	-
3031 S Vermont Ave	17,375	0	0.0%	0	0.0%	0	0	0	0	-
5700 S Vermont Ave	11,352	0	0.0%	0	0.0%	0	0	0	0	-
11500-11510 S Vermont Ave	18,000	0	0.0%	0	0.0%	0	0	0	0	-
422 Warren Ln	11,768	0	0.0%	0	0.0%	0	0	0	0	-
5813 Washington Blvd	12,000	0	0.0%	0	0.0%	0	0	0	0	-
716 W Washington Blvd	25,000	25,000	100.0%	25,000	100.0%	25,000	25,000	0	25,000	-
828 W Washington Blvd	16,007	0	0.0%	0	0.0%	0	0	0	0	-
10616 Western Ave	25,398	0	0.0%	0	0.0%	0	0	0	0	-
5101 S Western Ave	15,880	0	0.0%	0	0.0%	0	0	0	0	-
10714 S Western Ave	31,500	31,500	100.0%	31,500	100.0%	31,500	31,500	0	31,500	$25.80/nnn
11100 S Western Ave	19,830	0	0.0%	0	0.0%	0	0	0	0	-
11130 S Western Ave	11,117	0	0.0%	0	0.0%	0	0	0	0	-
11603 S Western Ave	23,590	0	0.0%	0	0.0%	0	0	0	0	-
Grand Totals (108 Bldgs)	**4,088,837**	**382,459**	**9.4%**	**489,450**	**12.0%**	**459,504**	**421,903**	**37,601**	**72,216**	**$24.87/fs**

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SUBJECT TRENDS AND PROJECTIONS

Occupancy

Occupancy rate is the relationship between the actual income received from a property and the income that would be received if the entire space were occupied.

The CoStar survey exhibits an availability rate of 8.3 percent, after excluding the Class A Wateridge office campus. Overall, limited new office development is expected in the surveyed area. Net absorption is projected to remain relatively flat with rents stable.

Based on the foregoing analysis, CBRE's conclusion of stabilized occupancy for the subject is illustrated in the following table. This estimate considers both the physical and economic factors of the market.

OCCUPANCY CONCLUSIONS	
South Los Angeles Submarket	91.7%
Rent Comparables	95.3%
Subject's Current Occupancy	100.0%
Subject's Stabilized Occupancy	95.0%
Compiled by CBRE	

Although our concluded stabilized occupancy is higher than the South Los Angeles submarket it is in line with the rent comparables and is reasonable given the condition and location of the subject.

Absorption

The subject is currently 100 percent occupied by a single tenant whose lease extends through May 2020. No absorption period is required.

CONCLUSION

The local submarket is exhibiting stable occupancy levels and stable rental rates, based on broker interviews. Absorption has been positive in recent years with brokers reporting the lack of good quality space. Considering the recent trends in absorption and the limited prospects for new construction, the local market area should maintain a stabilized occupancy position.

With respect to the subject in particular, the subject is well located for office users due to its location along two major thoroughfares and proximity to the Santa Monica Freeway. Office developments within the submarket are experiencing average levels of demand. Based upon our analysis, the subject should achieve good market acceptance.

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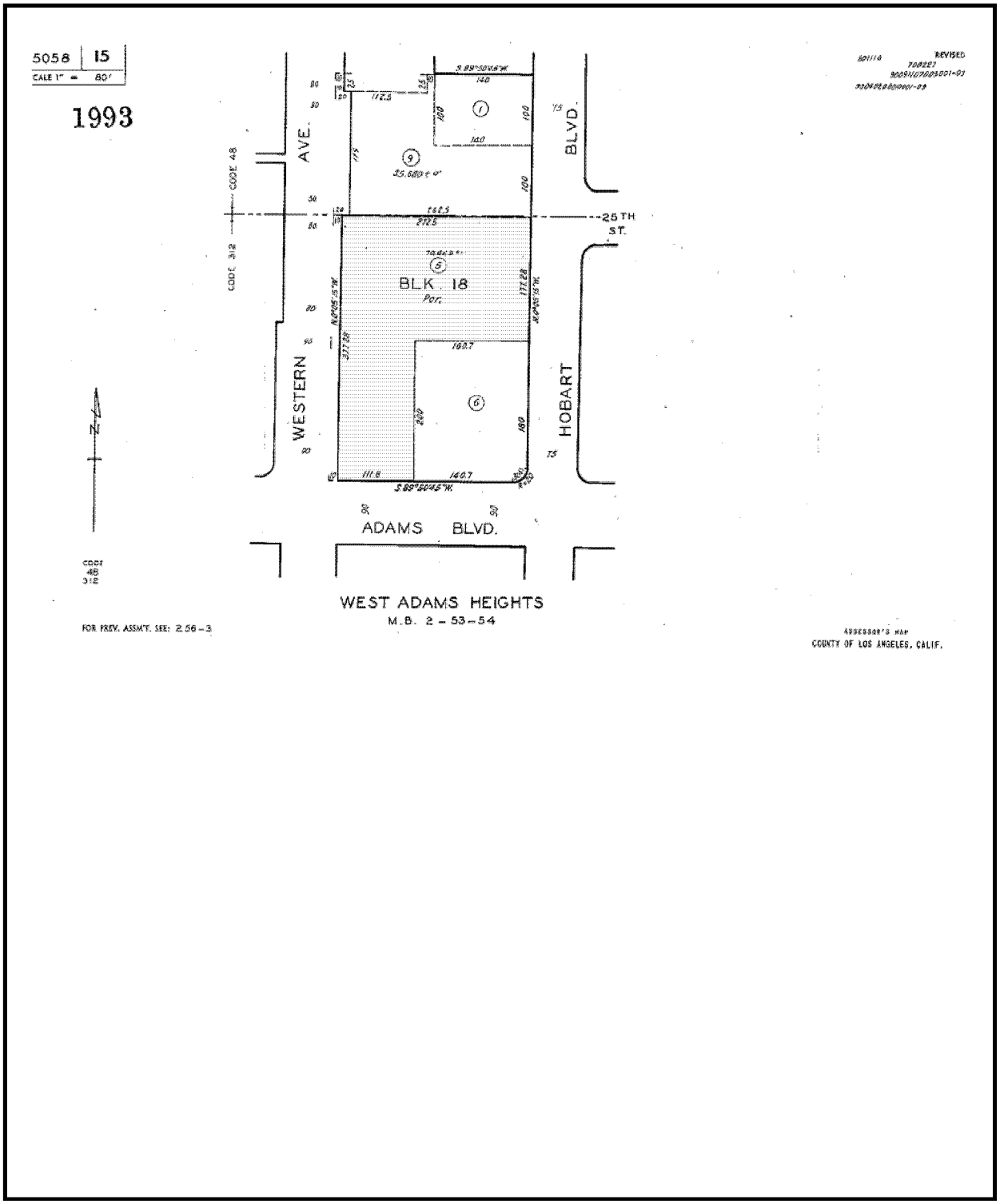
PLAT MAP



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SITE ANALYSIS

The following chart summarizes the salient characteristics of the subject site.

SITE SUMMARY AND ANALYSIS			
Physical Description			
Gross Site Area		1.62 Acres	70,669 Sq. Ft.
Net Site Area		1.62 Acres	70,669 Sq. Ft.
Adams Blvd. Frontage		111.8	
Western Ave. Frontage		377.28	
Hobart Blvd. Frontage		177.28	
Average Depth		Varies	
Excess Land Area		None	
Surplus Land Area		None	
Shape		L-Shaped	
Topography		Slight downward slope from north to south	
Zoning District		C2-1 & RD1.5-1	
Flood Map Panel No. & Date		0601370073D	4-Feb-87
Flood Zone		C	
Adjacent Land Uses		Commercial and residential uses	
Comparative Analysis		**Rating**	
Access		Good	
Visibility		Good	
Functional Utility		Good	
Traffic Volume		Good	
Adequacy of Utilities		Average	
Landscaping		Average	
Drainage		Assumed adequate	
Utilities	**Provider**		**Adequacy**
Water	LADWP		Yes
Sewer	LADWP		Yes
Natural Gas	The Gas Company		Yes
Electricity	LADWP		Yes
Mass Transit	LAMTA		Yes
Other	**Yes**	**No**	**Unknown**
Detrimental Easements			X
Encroachments			X
Deed Restrictions			X
Reciprocal Parking Rights			X
Common Ingress/Egress			X

Source: Various sources compiled by CBRE

Land area is based on publicly available Los Angeles County Assessor building records. We were not provided with a land survey for the site. Should subsequent information become available we reserve the right to amend our value conclusion appropriately.

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TOPOGRAPHY AND DRAINAGE

The site slopes slightly downward to the south but this is not considered to impact the overall development potential of the site. It is an assumption of this report that the subject development is completed such that surface drainage is oriented towards the existing/proposed thoroughfares and drainage facilities and that there is adequate surface drainage. During our inspection of the site, we observed no drainage problems and assume that none exist.

SOILS

A soils report was not provided during the course of this assignment. CB Richard Ellis, Inc. assumes the site is free of toxic substances and of adequate load bearing capacity to support the highest and best use of the subject site. We reserve the right to amend our value conclusion if the site is impacted by soils contamination.

EASEMENTS AND ENCROACHMENTS

Our inspection of the subject property did not reveal any apparent easements or encroachments that negatively impact the value of the subject. For the purposes of our analysis, we have assumed that the subject property is free of any easements or encroachments that would adversely impact the use, marketability, or value of the subject site. We did not receive a current title report in connection with this property and assume no liability for clear title.

COVENANTS, CONDITIONS AND RESTRICTIONS (CC&R'S)

There are no known covenants, conditions and restrictions impacting the site that are considered to affect the marketability or highest and best use.

ENVIRONMENTAL ISSUES

CB Richard Ellis, Inc. has not reviewed an environmental site assessment report for the subject property. The value estimates rendered in this report are predicated on the assumption that there is no hazardous material on or in the property that would cause a loss in value. No evidence of hazardous waste or toxic materials was visible. CB Richard Ellis, Inc. has no knowledge of the existence of these substances on, or in, the subject property. However, CB Richard Ellis, Inc. is not qualified to detect hazardous waste or toxic materials.

FLOOD ZONE

According to flood hazard maps published by the Federal Emergency Management Agency (FEMA), the subject site is within Zone C, as indicated on Community Map Panel No. 0601370073D, dated February 4, 1987. This zone is defined as follows:

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FEMA Zone B or C: This area has been identified in the community flood insurance study as an area of moderate or minimal hazard from the principal source of flood in the area. However, buildings in this zone could be flooded by severe, concentrated rainfall coupled with inadequate local drainage systems. Local storm water drainage systems are not normally considered in the community's Flood Insurance Study. The failure of a local drainage system creates areas of high flood risk within this rate zone. Flood insurance is available in participating communities but is not required by regulation in this zone.

EARTHQUAKE

All properties in the State of California are subject to some degree of seismic risk. The Alquist-Priolo special Studies Zone Act of 1972 was enacted by the State of California to regulate development near active earthquake faults. The Act required the State Geologist to delineate "special studies zones" along known active faults in the State of California. Cities and Counties affected by the identified zones must limit certain development projects within the zones unless geologic investigation demonstrates that the sites are not threatened by surface displacement from future faulting.

According to "Fault-Rupture Hazard Zones in California" published in 1992 by the State of California Department of Conservation, Department of Mines and Geology, the subject is not within an area affected by the Alquist-Priolo Special Studies Zone Act. Related development limitations, therefore, do not apply.

CONCLUSION

The site has good frontage and visibility and is of adequate size and shape for a variety of commercial uses.

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IMPROVEMENTS ANALYSIS

The following chart depicts a summary of the improvements.

IMPROVEMENTS SUMMARY AND ANALYSIS	
Property Type	Office (Single Tenant)
Number of Buildings	1
Number of Stories	1
Gross Building Area	54,236 SF
Net Rentable Area	54,236 SF
Major Tenants	
Golden State Mutal Life Insurance Company	54,236 SF
Site Coverage (est.)	N/A - We were not provided with building footprint information.
Land-to-Building Ratio	130.3%
Floor Area Ratio (FAR)	0.77
Parking Improvements	Surface Lot
Total Spaces (currently existing):	115
Parking Ratio (per 1,000 SF NRA)	2.12
Year Built	1948
Actual Age	60 Years
Effective Age	30 Years
Total Economic Life	45 Years
Age/Life Depreciation	66.7%
Functional Utility	Typical

		Comparative Rating			
Improvement Summary	**Description**	**Good**	**Avg.**	**Fair**	**Poor**
Foundation	Reinforced concrete		X		
Frame	Poured reinforced concrete		X		
Exterior Walls	Poured concrete		X		
Interior Walls	Textured and painted drywall		X		
Roof	Built-up composition		X		
Ceiling	Suspended acoustical tile		X		
HVAC System	Assumed adequate		X		
Exterior Lighting	Building perimeter		X		
Flooring	Carpet and tile			X	
Plumbing	Assumed adequate		X		
Elevator	2 passenger, 1 freight (inoperable)		X		
Fire Protection	Smoke detectors No sprinklers		X		
Amenities	None		N/A		
Furnishings	Personal property excluded		N/A		
Parking	Asphalt paved open parking			X	
Landscaping	Minimal		X		

Source: Various sources compiled by CBRE

The property was originally developed by the Golden State Mutual Life Insurance Company, which entered into a sale and leaseback agreement in May of 2005. They continue to occupy the building and the lease extends through May 2020.

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Publicly available Los Angeles County Assessor building records indicate the improvements are 5,236 square feet. Based on our inspection of the subject this is clearly incorrect but we were unable to determine the reason for this inaccuracy. We were provided with an incomplete copy of the subject lease that did not contain most addenda items, including Exhibits A and B, which describe the leased premises and the fixtures, machinery and equipment. We have been informed by our client that the improvements total 54,236 square feet and have relied on this information within our analysis. Should subsequent information become available we reserve the right to amend our value conclusion appropriately.

The property includes an auditorium off of the main lobby and a semi-finished basement that has full HVAC and some office space.

CONDITION ANALYSIS

The building is of good original construction quality although interior finishes are somewhat worn and dated. The property appears to be in fair to average condition and no deferred maintenance was noted during our inspection. We were not provided with a building systems report and assume that the mechanical systems are in good working order.

ZONING

The following chart summarizes the subject's zoning requirements.

ZONING SUMMARY		
	42,180 Sq. Ft.	28,489 Sq. Ft.
Current Zoning	C2-1, Commercial	RD1.5-1, Residential
Legally Conforming	Yes	Yes, allows parking for non-residential uses
Uses Permitted	Most retail and commercial uses, a well as multifamily residential	Restricted density multifamily residential
Zoning Change	Not likely	Not likely
Category	**Zoning Requirement**	**Zoning Requirement**
Minimum Lot Size	None for commercial uses	5,000 Sq. Ft.
Minimum Lot Width	40 Feet (commercial) / 50 Feet (residential)	50 Feet
Maximum Height	Unlimited	45 feet
Minimum Setbacks		
Front Yard	None	15 Feet
Street Side Yard	None for commercial uses	3 to 16 Feet
Rear Yard	None for commercial uses	15 Feet
Maximum Bldg. Coverage	None	None
Maximum FAR/Density	1.50 : 1	3.0:1
Parking Requirements		
General Office	2.0 spaces / 1,000 SF Bldg. Area	N/A
Total Required	None	N/A
Subject's Actual Parking	43 Spaces	N/A

Source: Planning & Zoning Dept.

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The subject is a legal and conforming use.

TAX ASSESSMENT DATA

The following summarizes the subject's market value, assessed value, and taxes, and does not include any furniture, fixtures and equipment.

AD VALOREM TAX INFORMATION		
Assessor's Market Value		Actual 2007/08
5058-015-005		$8,211,000
Subtotal		$8,211,000
Assessed Value @		100%
		$8,211,000
General Tax Rate	(per $100 A.V.)	1.174687%
General Tax:		$96,454
Special Assessments:		1,286
Total Taxes		$97,739
Effective Tax Rate	(per $100 A.V.)	1.190347
Source: Assessor's Office		

For purposes of this analysis we are assuming any outstanding property tax liability has been paid. CBRE assumes that all taxes are current. If the subject sold for the value estimate in this report, a reassessment at that value could occur. The consequences of this reassessment have been considered in the appropriate valuation sections.

CONCLUSION

The improvements are considered to be in fair to average overall condition and are considered to be typical for the age and location in regard to improvement design and layout, as well as interior and exterior amenities. The design and layout of both buildings are functional for a variety of uses and could allow single or multi-tenant occupancy. Based on the subject's location, physical attributes and recent sales activity the highest and best use of the property is office. The subject's market is dominated by owner-user buyers. Overall, there are no known factors that could be considered to adversely impact the marketability of the improvements or affect them from being used to their highest and best use.

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HIGHEST AND BEST USE

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria the highest and best use must meet are:

- legal permissibility;
- physical possibility;
- financial feasibility; and
- maximum profitability.

Highest and best use analysis involves assessing the subject both as if vacant and as improved.

AS VACANT

The property is zoned for most commercial uses and is of sufficient size to accommodate various types of development. The immediate area includes various office, retail and commercial land uses. Considering the surrounding land uses, location attributes, legal restrictions and other factors, it is our opinion that an office use would be reasonable and appropriate. Therefore, it is our opinion that the highest and best use would be for office use, time and circumstances warranting.

AS IMPROVED

The subject is improved with a 54,236-square-foot office building built in 1948 and occupied by a single tenant. The design and layout is functional for single-tenant or multi-tenant occupancy. It is a legally permissible use. Based on the subject's location, physical attributes and recent sales activity the highest and best use of the property as improved is office. The subject's market is dominated by owner-user buyers but typically smaller in size.

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APPRAISAL METHODOLOGY

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available.

COST APPROACH

The cost approach is based upon the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when it is improved with relatively unique or specialized improvements for which there exist few sales or leases of comparable properties.

SALES COMPARISON APPROACH

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value. Economic units of comparison are not adjusted, but rather analyzed as to relevant differences, with the final estimate derived based on the general comparisons.

INCOME CAPITALIZATION APPROACH

The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

METHODOLOGY APPLICABLE TO THE SUBJECT

In valuing the subject, only the sales comparison and income capitalization approaches are applicable and have been used. The cost approach is not applicable in the estimation of market value as this methodology is not used by buyers and sellers in the subject marketplace. The income capitalization approach is most relevant as the subject is net leased to a single tenant for a long term.

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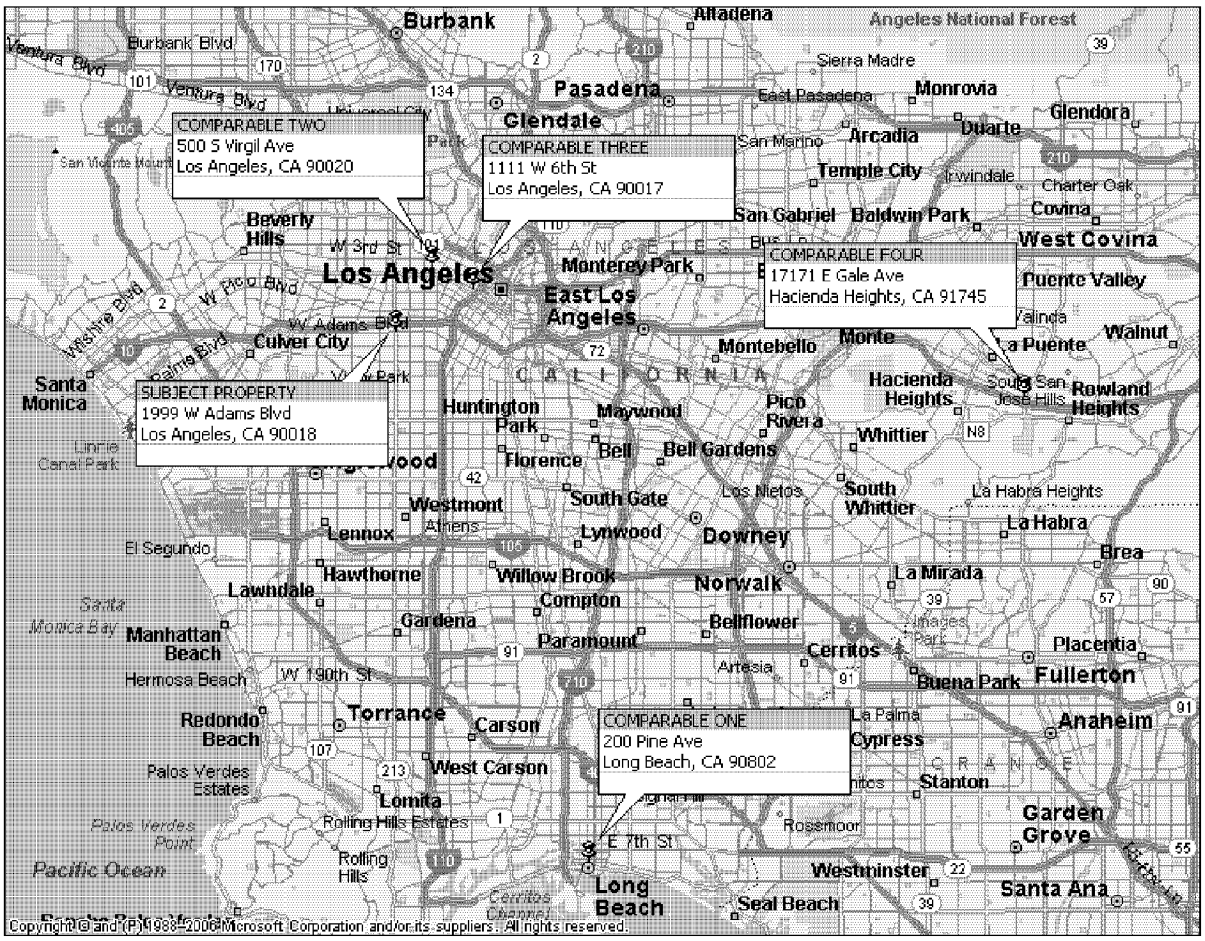
SALES COMPARISON APPROACH

The following map and table summarize the comparable data used in the valuation of the subject. A detailed description of each transaction is included in the addenda.



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SUMMARY OF COMPARABLE OFFICE SALES

No.	Name	Transaction Type	Transaction Date	Year Built	Prkg. Per 1,000 SF	NRA (SF)	Sale Price	Price Per SF	Occ.	NOI Per SF	OAR
1	City Centre Building (06/2008), Long Beach, CA	Sale	Jun-08	1968	1.90	67,070	$9,600,000	$143.13	79%	$11.26	7.86%
2	500 S. Virgil Ave. (03/2008), Los Angeles, CA	Sale	Mar-08	1960	2.07	43,380	$11,600,000	$267.40	100%	$17.10	6.39%
3	1111-1125 West 6th, Los Angeles, CA	Sale	Jan-08	1955/67 (1994 Ren)	3.10	97,878	$18,500,000	$189.01	97%	$11.40	6.03%
4	Gale Commercial Center, City of Industry, CA	Sale	Jan-08	1959 (1987 Ren)	3.20	49,280	$8,856,000	$179.71	95%	$15.28	8.50%
Subj. Pro Forma	Golden State Mutual Building, Los Angeles, CA	---	---	1948	2.12	54,236	---	---	96%	$10.35	---

Compiled by CBRE

The subject is leased to a single tenant through May 2020 on a triple net basis. The NOI is based on the actual rent and estimated expenses.

Comparable One sold to an investor planning to spend over $3.0 million to rehabilitate and reposition the property. The net operating income and capitalization rate above are based on the income and expenses in place at the time of sale and reflect high vacancy.

Comparable Two sold to an investor planning to rehabilitate the property and change the use to commercial condominium. The seller leased back the property for up to three years but could terminate after the first year.

Comparable Three sold to an investor/developer. There was substantial upside in rental rates, with approximately 30 percent roll over through 2009. The purchase price was determined based on the operating income and upside rental potential; however, the buyer was attracted to the property because most tenants had termination option that the landlord can exercise if it decides to redevelop the property.

Comparable Four had approximately 30 percent occupancy by the State of California, which gave notice to terminate during the marketing process. Prior to the close of escrow a lease was executed with a new tenant for the State of California space; however, the buyer was responsible for getting the State of California out and the new tenant moved in, which required a conditional use permit. The buyer also benefited by assuming existing financing at a favorable rate and favorable leverage; although the buyer's broker was not able to quantify this benefit. The sale price above reflects $394,000 in credits given to the buyer.

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SUMMARY OF ADJUSTMENTS

Based on our comparative analysis, the following chart summarizes the adjustments warranted to each comparable.

OFFICE SALES ADJUSTMENT GRID

Comparable Number	1	2	3	4	Subj. Pro Forma
Transaction Type	Sale	Sale	Sale	Sale	---
Transaction Date	Jun-08	Mar-08	Jan-08	Jan-08	---
Year Built	1968	1960	1955/67 (1994 Ren)	1959 (1987 Ren)	1948
NRA (SF)	67,070	43,380	97,878	49,280	54,236
Parking Per 1,000 SF	1.90	2.07	3.10	3.20	2.12
Sale Price	$9,600,000	$11,600,000	$18,500,000	$8,856,000	---
Price Per SF	$143.13	$267.40	$189.01	$179.71	---
Occupancy	79%	100%	97%	95%	96%
NOI Per SF	$11.26	$17.10	$11.40	$15.28	$10.35
OAR	7.86%	6.39%	6.03%	8.50%	---
Adj. Price Per SF	$143.13	$267.40	$189.01	$179.71	
Property Rights Conveyed	0%	0%	0%	0%	
Financing Terms [1]	0%	0%	0%	-5%	
Conditions of Sale	0%	0%	0%	0%	
Market Conditions (Time)	0%	0%	0%	0%	
Subtotal - Price Per SF	$143.13	$267.40	$189.01	$170.72	
Location	-10%	-15%	-10%	-5%	
Size	0%	0%	5%	0%	
Age/Condition	10%	0%	-5%	-5%	
Quality of Construction	0%	0%	0%	0%	
Parking	0%	0%	-5%	-5%	
Tenancy	10%	5%	0%	0%	
Amenities	0%	0%	0%	0%	
Economic Characteristics	-5%	-20%	-5%	-15%	
Total Other Adjustments	5%	-30%	-20%	-30%	
Indicated Value Per SF	**$150.29**	**$187.18**	**$151.21**	**$119.51**	

Compiled by CBRE

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SALE PRICE PER SQUARE FOOT CONCLUSION

After adjustment the comparable range widely from $119.55 to $187.18 per square foot. Greatest weight has been placed on comparables Two and Three, as they are closest geographically to the subject, in neighboring market areas.

Comparable Two is most similar to the subject in terms of its size, age and condition and single-tenant occupancy. It is inferior in its tenancy due to the potential for 100 percent vacancy in the near future. Conversely, this is more than offset by its superior economic characteristics given that it is leased at market rent and generates significantly more NOI per square foot than the subject, which is encumbered with a below market lease through March 2020.

The following chart presents the valuation conclusion:

SALES COMPARISON APPROACH				
NRA (SF)	**X**	**Value Per SF**	**=**	**Value**
54,236	X	$150	=	$8,135,400
54,236	X	$190	=	$10,304,840
VALUE CONCLUSION				
Indicated Stabilized Value				**$9,800,000**
Deferred Maintenance				$0
Value Indication				**$9,800,000**
Rounded				**$9,800,000**
Value Per SF				**$180.69**
Compiled by CBRE				

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INCOME CAPITALIZATION APPROACH

The prior map and following table summarize the comparable data used in the valuation of the subject. A detailed description of each transaction is included in the addenda.

SUMMARY OF COMPARABLE OFFICE RENTALS

Comp. No.	Property Name and Location	Year Built	Occ.	NRA (SF)	Lease Area (SF)	Lease Date	Lease Term	Base Rent	Basis	Tenant Improvements	Escalations
1	3001 W. Vernon Avenue (07/2008) 3001 W. Vernon Avenue, Los Angeles, CA	1965	100%	6,145	3,000	Neg.	5.0 Yrs.	$1.75 PSF	Gross	$0.00 PSF	3% Annual
2	4332 11th Ave. (07/2008) 4332 11th Ave., Los Angeles, CA	1940	76%	5,652	1,350	Avail	5.0 Yrs.	$1.77 PSF	Gross	$0.00 PSF	Annual 5%
3	4340 Leimert Blvd. (07/2008) 4340 Leimert Bldv., Los Angeles, CA	1940	85%	5,652	250 831	Jan-08 Avail	3.0 Yrs. 3.0 Yrs.	$2.80 PSF $2.35 PSF	Gross Gross	$0.00 PSF $0.00 PSF	Annual 5% Annula 5%
4	4401 Crenshaw Boulevard (07/2008) 4401 Crenshaw Boulevard, Los Angeles, CA	1955	100%	57,500	10,000 4,643	Avail Oct-07	0.0 Yrs. 5.0 Yrs.	$1.00 PSF $1.90 PSF	FSG FSG	$0.00 PSF $0.00 PSF	Neg. N/A
5	4918 1/2 W. Adams Blvd. (07/2008) 4918 1/2 W. Adams Blvd., Los Angeles, CA	1924	66%	4,350	1,500	Avail	3.0 Yrs.	$1.50 PSF	NNN	$0.00 PSF	3%-4%
	Golden State Mutual Building 1999 West Adams Boulevard, Los Angeles, CA	1948	100%	54,236				---			

Compiled by CBRE

DISCUSSION/ANALYSIS OF RENT COMPARABLES

The comparable buildings exhibit a range in rents from $1.00 to $2.80 per square foot per month. The availability at Comparable Four represents a basement space.

A more traditional second floor office space was leased in the same building for $1.90 per square foot per month in October 2007, on a full service gross basis, with the tenant reimbursing the landlord for increases in operating expenses over the base year. Comparable Five represents an asking rate of $1.50 per square foot per month, on a triple net basis. The equivalent gross rent is closer to $1.70 to $1.75 per square foot per month.

The comparables indicate a more appropriate rental rate range for the subject of between $1.70 and $1.90 per square foot per month, on a gross rental basis. As Comparable Three demonstrates smaller spaces typically rent for a higher price per square foot and are often quoted on a total monthly rent rather than a per square foot rate. Based on the subject's physical attributes, condition and, location and on-site parking we believe a rental rate towards the upper end of the range is appropriate.

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MARKET RENT CONCLUSIONS

The subject could accommodate either a single user or lease to multiple tenants. Likely tenants are nonprofits, government users and local service providers. The following chart depicts the market rent conclusions for the subject:

MARKET RENT CONCLUSIONS

Category	1999 W. Adams Blvd.
NRA (SF)	54,236
Percent of Total SF	100.0%
Market Rent ($/SF/Mo.)	$1.70
Market Rent ($/SF/Yr.)	$20.40
Concessions	None
Reimbursements	Gross
Annual Escalation	3.0%
Tenant Improvements (New Tenants)	$2.00
Tenant Improvements (Renewals)	$1.00
Average Lease Term	3 Years
Compiled by CBRE	

The rental rate conclusion above is inclusive of the subject parking and any additional basement storage.

RENT ROLL ANALYSIS

The subject's rent roll is illustrated as follows:

RENT ROLL ANALYSIS

Suite No.	Tenant	Lease Start	Lease Expiration	Term (Mos.)	Size (NRA) SF	Size (NRA) % Total	Contract Rental Rate $/SF/Yr.	Contract Rental Rate $/Yr.
	Market Rate Lease	---	---	36	33,748	100.0%	$22.80	$769,454
Occupied Subtotals					33,748	100.0%	$22.80	$769,454
	Vacant	---	---	---	-	0.0%	$0.00	$0
Property Totals - Market Rent					33,748	100.0%	$22.80	$769,454
Compiled by CBRE								

The subject is currently leased to Golden State Mutual Life Insurance Company on a fully net basis through May 2020, with no options to renew or extend the lease. The tenant is the original developer of the building and entered into a sale and leaseback agreement in May 2005, when it sold the property to EN Golden State, LLC. The property subsequently sold in August 2006 to West Adams

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Investment, LLC. The tenant either pays directly or reimburses the landlord for all operating expenses and repairs and maintenance.

The rent increases annually at the lesser of CPI or 3.0 percent. We were only provided with the initial base rental rate from the May 2005 lease. We have been instructed to assume that the rental rate increases at 3.0 percent per year. This is the basis for the current rental rate above. Should subsequent information become available we reserve the right to amend our analysis appropriately.

Based on our estimated expenses the subject's actual rent is approximately $1,012,040 per year, or $18.66 per square foot per year. This is below the concluded market rental rate of $20.40 per square foot per year. We have considered the impact of the below market rental rate in our selected investment rates.

Anticipated Changes/Rollover to Rent Roll

None.

POTENTIAL RENTAL INCOME CONCLUSION

Given the long term remaining on the current lease and the tenant's long history at the property we have based our potential rental income on the lease in place. This method of calculating rental income is most prevalent in the local market and is consistent with the method used to derive overall capitalization rates from the comparable sales data.

VACANCY

The subject's estimated stabilized occupancy rate was previously discussed in the market analysis. The subject's vacancy is detailed as follows:

VACANCY	
Year	% PGI
CBRE Estimate	**4%**
Compiled by CBRE	

CREDIT LOSS

The credit loss estimate is an allowance for nonpayment of rent or other income. The subject's credit loss is detailed as follows:

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CREDIT LOSS	
Year	% PGI
CBRE Estimate	**1.0%**
Compiled by CBRE	

OTHER INCOME

Other income is supplemental to that derived from leasing of the improvements. This includes categories such as forfeited deposits, after-hour utility charges, late charges, etc. The subject's ancillary income is detailed as follows:

OTHER INCOME		
Year	Total	$/SF
CBRE Estimate	**$0**	**$0.00**
Compiled by CBRE		

EXPENSE REIMBURSEMENTS

The subject's lease is on a triple net basis whereby the tenant pays all expenses. The subject's expense reimbursements are detailed as follows:

EXPENSE REIMBURSEMENT		
Year	Total	$/SF
CBRE Estimate	**$400,113**	**$7.38**
Compiled by CBRE		

EFFECTIVE GROSS INCOME

The subject's effective gross income is detailed as follows:

EFFECTIVE GROSS INCOME	
Year	Total
CBRE Estimate	**$961,438**
Compiled by CBRE	

OPERATING EXPENSE ANALYSIS

Operating expense comparables are presented in the next chart. The conclude expenses are shown in the direct capitalization summary.

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EXPENSE COMPARABLES			
Comparable Number	1	2	3
NRA (SF)	7,847	26,235	44,366
Expense Year	2006	2006	2006
Effective Gross Income	$23.17	$37.88	$23.79
Expenses	$/SF	$/SF	$/SF
Real Estate Taxes	$1.47	$4.19	$2.15
Property Insurance	1.18	0.82	0.44
Utilities	1.77	2.00	2.10
General Operating	0.14	0.10	0.28
Repairs & Maintenance	2.79	0.91	1.70
Landscaping & Security	0.61	0.18	0.22
Janitorial	0.81	0.83	1.61
Management Fee	0.90	0.96	1.18
(as a % of EGI)	3.9%	2.5%	5.0%
Other	-	-	-
Reserves for Replacement	-	-	-
Operating Expenses	$9.67	$9.99	$9.68
Operating Expense Ratio	41.7%	26.4%	40.7%
Operating Expenses w/o RETX	$8.20	$5.80	$7.53

* The median total differs from the sum of the individual amounts.

Source: Operating statements

In addition, the broker involved in the sale of Comparable Two in the Sales Comparison Approach section estimated the annual operating expenses were approximately $7.26 per square foot, prior to the 2008 sale and reassessment of property taxes. The increase in property taxes would increase the operating expenses by approximately $2.56 per square foot, to $9.82 per square foot per year.

The subject's expense is detailed as follows:

OPERATING EXPENSES		
Year	Total	$/SF
CBRE Estimate	**$400,113**	**$7.38**

Compiled by CBRE

NET OPERATING INCOME CONCLUSION

The subject's net operating income is detailed as follows:

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NET OPERATING INCOME		
Year	Total	$/SF
CBRE Estimate	**$561,325**	**$10.35**
Compiled by CBRE		

CREDIT CRUNCH IMPACT

The ongoing credit crunch, which began in early August 2007, continues to impact the commercial real estate market. The continuation of the credit crunch was highlighted in the Federal Reserve Board April 2008 Senior Loan Office Opinion Survey on Bank Lending Practices. This quarterly survey is based on responses from 56 domestic banks and 21 U.S. branches and agencies of foreign banks. In this survey they note that "domestic and foreign institutions reported having further tightened their lending standards and terms on a broad range for loan categories over the previous three months." The survey cited the following items as reasons for the continued tightening:

- Less favorable or more uncertain economic outlook;
- Worsening of industry-specific problems;
- Banks reduced tolerance for risk and decreased liquidity in secondary markets; and
- Concerns about their current or expected internal capital requirements.

The lack of liquidity is clearly impacting commercial real estate sales volumes, and more moderately, pricing. Specifically, the following table provide a summary of the volume and pricing statistics for the apartment, office, retail and industrial markets outlined in the May 2008 article "Buyers and Sellers No Closer to Closing Gap in Pricing; Sales Continue to Slow" published by Real Capital Analytics.

REAL CAPITAL ANALYTICS APRIL 2008 SALE STATISTICS				
Asset Type	**Volume ($B)**	**% Change Prior Year**	**National % Decline In Value from Peak**	**Top 10 Markets % Decline from Peak**
Apartment	$1.20	-81%	-3.4%	-2.4%
Office	$4.90	-80%	-2.0%	-1.0%
Retail	$1.00	-79%	-5.5%	-2.0%
Industrial	$1.00	-67%	-2.3%	-2.2%

Source: "Buyers and Sellers No Closer to Closing Gap in Pricing; Sales Continue to Slow" Real Capital Analytics, May 2008

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As shown, although the volume of sales has declined significantly, prices have held relatively firm. The general consensus is this indicates a disparity in the perception of market value between buyers (values have dropped) and sellers (unwilling to sell at the reduced pricing).

In order to assess the investor market perception on the demand for commercial real estate we reviewed the article "Expectations & Market Realities in Real Estate: 2008" (published in 2007 by Principle Real Estate Investors, Real Estate Research Corporation and CBRE/Torto/Wheaton Research). In that publication they state "Real estate now faces the increasingly daunting task of moving through a much more challenging capital market than it has faced in several years." Three primary risks to real estate identified are:

- "Repricing of the debt capital markets could result in a broad-based (as opposed to selective) upward movement in real estate going-in and exit cap rates and discount rates of sufficient magnitude to overwhelm earnings growth, causing private market real estate values to decline materially."

- "The global credit market disruption could spill over into the broader economy, denying capital access to otherwise creditworthy business and consumer activity, and leading to a recession in the U.S. economy."

- "A backlash against the forces of globalization and free trade could result in an increase in protectionist legislation that would adversely impact the economy and real estate markets over the long term."

Overall, it is clear the credit crunch is impacting sales volume, sale prices, and market perceptions. The general consensus is that the credit crunch has had a more severe impact on Class B and C assets (either location or quality of the real estate) than Class A properties.

The subject is a well-positioned asset in a market with limited competition and an upward adjustment to the capitalization rate is required for softening market conditions relative to the following older sale transactions.

DIRECT CAPITALIZATION

Direct capitalization is a method used to convert a single year's estimated stabilized net operating income into a value indication.

The comparable sales are presented below.

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SUMMARY OF COMPARABLE OFFICE SALES

No.	Name	Transaction Type	Transaction Date	Year Built	Prkg. Per 1,000 SF	NRA (SF)	Sale Price	Price Per SF	Occ.	NOI Per SF	OAR
1	City Centre Building (06/2008), Long Beach, CA	Sale	Jun-08	1968	1.90	67,070	$9,600,000	$143.13	79%	$11.26	7.86%
2	500 S. Virgil Ave. (03/2008), Los Angeles, CA	Sale	Mar-08	1960	2.07	43,380	$960,000	$144.14	100%	$17.10	6.39%
3	1111-1125 West 6th, Los Angeles, CA	Sale	Jan-08	1955/67 (1994 Ren)	3.10	97,878	$11,600,000	$267.40	97%	$11.40	6.03%
4	Gale Commercial Center, City of Industry, CA	Sale	Jan-08	1959 (1987 Ren)	3.20	49,280	$5,000,000	$217.39	95%	$15.22	8.47%
Subj. Pro Forma	Golden State Mutual Building, Los Angeles, CA	---	---	1948	2.12	54,236	---	---	96%	$10.35	---

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The subject, with its below market rent, long remaining lease term and single tenant occupancy would be expected to achieve a capitalization rate towards the lower end of the range.

Capitalization Rate Conclusion

The following chart summarizes the OAR conclusions.

OVERALL CAPITALIZATION RATE - CONCLUSION

Source	Indicated OAR
Comparable Sales	4.61% - 6.35%
Korpacz Suburban Office	5.00% - 10.50%
Market Participants	6.00% - 7.00%
CBRE Estimate	6.00%

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DIRECT CAPITALIZATION SUMMARY

A summary of the direct capitalization at stabilized occupancy is illustrated in the following chart.

DIRECT CAPITALIZATION SUMMARY

		$/SF/Yr	Total
Income			
Potential Rental Income		$11.28	$611,927
Expense Reimbursements		7.38	400,113
Adjusted Rental Income		18.66	1,012,040
Credit Loss	1.00%	(0.19)	(10,120)
Vacancy	4.00%	(0.75)	(40,482)
Effective Gross Income		$17.73	$961,438
Expenses			
Real Estate Taxes	1.174687%	$2.03	$109,897
Special Assessments		0.02	1,286
Property Insurance		0.55	29,830
Utilities		2.50	135,590
General Operating		0.25	13,559
Repairs & Maintenance		1.25	67,795
Landscaping & Security		0.10	5,424
Janitorial		0.50	27,118
Management Fee	1.00%	0.18	9,614
Other		0.00	-
Reserves for Replacement		0.00	-
Operating Expenses		**$7.38**	**$400,113**
Operating Expense Ratio			41.62%
Net Operating Income		**$10.35**	**$561,325**
OAR			/ **6.00%**
Indicated Stabilized Value			**$9,355,417**
Deferred Maintenance			-
Lease-Up Costs to Stabilize			-
Value Indication			**$9,355,417**
Rounded			**$9,400,000**
Value Per SF			**$173.32**
Matrix Analysis		**Cap Rate**	**Value**
		5.75%	$9,762,200
		6.00%	$9,355,400
		6.25%	$8,981,200

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RECONCILIATION OF VALUE

The value indications from the approaches to value are summarized as follows:

SUMMARY OF VALUE CONCLUSIONS	
Sales Comparison Approach	$9,800,000
Income Capitalization Approach	$9,400,000
Reconciled Value	$9,400,000
Compiled by CBRE	

In valuing the subject, the Income Capitalization Approach is considered most reliable and has been given primary emphasis, given that there is a long-term lease in place. Secondary emphasis was placed on the Sales Comparison Approach.

Based on the foregoing, the market value of the subject has been concluded as follows:

MARKET VALUE CONCLUSION			
Appraisal Premise	**Interest Appraised**	**Date of Value**	**Value Conclusion**
As Is	Leased Fee Interest	September 22, 2008	$9,400,000
Compiled by CBRE			

It is our understanding that Community Impact Development I, LLC, an entity related to Dudley Ventures Development LLC, is currently under contract to acquire the subject property for $11,300,000. Apparently the contract price has already been reduced substantially. We were not provided with a copy of the purchase and sale agreement or any other details of the transaction. The transaction has not been finalized and the buyer has indicated that it will base its final purchase price on the appraised value. We have not relied on the reported contract price in our value conclusion.

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ASSUMPTIONS AND LIMITING CONDITIONS

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. CBRE, however, has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject's title should be sought from a qualified title company that issues or insures title to real property.
2. Unless otherwise specifically noted in the body of this report, it is assumed: that the existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. CBRE professionals are not engineers and are not competent to judge matters of an engineering nature. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of CBRE by ownership or management; CBRE inspected less than 100% of the entire interior and exterior portions of the improvements; and CBRE was not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, CBRE reserves the right to amend the appraisal conclusions reported herein.
3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property was not observed by the appraisers. CBRE has no knowledge of the existence of such materials on or in the property. CBRE, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

   We have inspected, as thoroughly as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the appraisal.
4. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon the information submitted to CBRE This report may be subject to amendment upon re-inspection of the subject subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.
5. It is assumed that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, CBRE has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, CBRE reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client-addressee should carefully review

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all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify CBRE of any questions or errors.

6. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This appraisal is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions which occur subsequent to the date of the appraisal. However, CBRE will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.
7. CBRE assumes no private deed restrictions, limiting the use of the subject in any way.
8. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposit or subsurface rights of value involved in this appraisal, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
9. CBRE is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.
10. The estimate of Market Value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.
11. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. CBRE does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of CBRE
12. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of CBRE to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
13. Also, unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.
14. This study may not be duplicated in whole or in part without the specific written consent of CBRE nor may this report or copies hereof be transmitted to third parties without said consent, which consent CBRE reserves the right to deny. Exempt from this restriction is duplication for the internal use of the client-addressee and/or transmission to attorneys, accountants, or advisors of the client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this appraisal was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the express written consent of CBRE which consent CBRE reserves the right to deny. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the property or to make a "sale" or "offer for sale" of any "security", as such terms are defined and used in the Securities Act of 1933, as amended. Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this property. CBRE shall have no accountability or responsibility to any such third party.
15. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.
16. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or appraisal and are invalid if so used.

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17. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.
18. No opinion is intended to be expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to CBRE unless otherwise stated within the body of this report. If the Consultant has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
19. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Appraiser nor CBRE assumes responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.
20. CBRE assumes that the subject analyzed herein will be under prudent and competent management and ownership; neither inefficient or super-efficient.
21. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.
22. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.
23. The Americans with Disabilities Act (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, CBRE has not made a specific compliance survey and analysis of this property to determine whether it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value estimated herein. Since CBRE has no specific information relating to this issue, nor is CBRE qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject.
24. Client shall not indemnify Appraiser or hold Appraiser harmless unless and only to the extent that the Client misrepresents, distorts, or provides incomplete or inaccurate appraisal results to others, which acts of the Client proximately result in damage to Appraiser. The Client shall indemnify and hold Appraiser harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the appraisal report to any third party. In the event of any litigation between the parties, the prevailing party to such litigation shall be entitled to recover from the other reasonable attorney fees and costs.
25. The report is for the sole use of the client; however, client may provide only complete, final copies of the appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. Appraiser is not required to explain or testify as to appraisal results other than to respond to the client for routine and customary questions. Please note that our consent to allow an appraisal report prepared by CBRE or portions of such report, to become part of or be referenced in any public offering, the granting of such consent will be at our sole discretion and, if given, will be on condition that we will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to us, by a party satisfactory to us. We do consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.
26. As part of the client's requested scope of work, an estimate of insurable value is provided herein. CBRE has followed traditional appraisal standards to develop a reasonable calculation based upon industry practices and industry accepted publications such as the Marshal Valuation Service handbook. The methodology employed is a derivation of the cost

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approach which is primarily used as an academic exercise to help support the market value estimate and therefore is not reliable for Insurable Value estimates. Actual construction costs and related estimates can vary greatly from this estimate.

This analysis should not be relied upon to determine proper insurance coverage which can only be properly estimated by consultants considered experts in cost estimation and insurance underwriting. It is provided to aid the client/reader/user as part of their overall decision making process and no representations or warranties are made by CBRE regarding the accuracy of this estimate and it is strongly recommend that other sources be utilized to develop any estimate of insurable value.

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ADDENDA

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ADDENDUM A

GLOSSARY OF TERMS

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assessed value Assessed value applies in ad valorem taxation and refers to the value of a property according to the tax rolls. Assessed value may not conform to market value, but it is usually calculated in relation to a market value base. †

cash equivalency The procedure in which the sale prices of comparable properties sold with atypical financing are adjusted to reflect typical market terms.

contract rent The actual rental income specified in a lease. ‡

effective rent The rental rate net of financial concessions such as periods of no rent during the lease term; may be calculated on a discounted basis, reflecting the time value of money, or on a simple, straight-line basis. ‡

excess land In regard to an improved site, the land not needed to serve or support the existing improvement. In regard to a vacant site or a site considered as though vacant, the land no needed to accommodate the site's primary highest and best use. Such land may be separated from the larger site and have its own highest and best use, or it may allow for future expansion of the existing or anticipated improvement. *See also* surplus land. ‡

extraordinary assumption An assumption directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. *See also* hypothetical condition. ‡

fee simple estate Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. ‡

floor area ratio (FAR) The relationship between the above-ground floor area of a building, as described by the building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area; also called *building-to-land ratio*. ‡

full service lease A lease in which rent covers all operating expenses. Typically, full service leases are combined with an *expense stop*, the expense level covered by the contract lease payment. Increases in expenses above the expense stop level are passed through to the tenant and are known as *expense pass-throughs*.

going concern value Going concern value is the value of a proven property operation. It includes the incremental value associated with the business concern, which is distinct from the value of the real estate only. Going concern value includes an intangible enhancement of the value of an operating business enterprise which is produced by the assemblage of the land, building, labor, equipment, and marketing operation. This process creates an economically viable business that is expected to continue. Going concern value refers to the total value of a property, including both real property and intangible personal property attributed to the business value. †

gross building area (GBA) The total floor area of a building, including below-grade space but excluding unenclosed areas, measured from the exterior of the walls. Gross building area for office buildings is computed by measuring to the outside finished surface of permanent outer building walls without any deductions. All enclosed floors of the building including basements, mechanical equipment floors, penthouses, and the like are included in the measurement. Parking spaces and parking garages are excluded. ‡

hypothetical condition That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. *See also* extraordinary assumption. ‡

insurable value Insurable Value is based on the replacement and/or reproduction cost of physical items that are subject to loss from hazards. Insurable value is that portion of the value of an asset or asset group that is acknowledged or recognized under the provisions of an applicable loss insurance policy. This value is often controlled by state law and varies from state to state. †

investment value Investment value is the value of an investment to a particular investor based on his or her investment requirements. In contrast to market value, investment value is value to an individual, not value in the marketplace. Investment value reflects the subjective relationship between a particular investor and a given investment. When measured in dollars, investment value is the price an investor would pay for an investment in light of its perceived capacity to satisfy his or her desires, needs, or investment goals. To estimate investment value, specific investment criteria must be known. Criteria to evaluate a real estate

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investment are not necessarily set down by the individual investor; they may be established by an expert on real estate and its value, that is, an appraiser. †

leased fee
See leased fee estate

leased fee estate An ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.‡

leasehold
See leasehold estate

leasehold estate The interest held by the lessee (the tenant or renter) through a lease conveying the rights of use and occupancy for a stated term under certain conditions.‡

market rent The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations. ‡

market value Market value is one of the central concepts of the appraisal practice. Market value is differentiated from other types of value in that it is created by the collective patterns of the market. Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: 1) A reasonable time is allowed for exposure in the open market; 2) Both parties are well informed or well advised, and acting in what they consider their own best interests; 3) Buyer and seller are typically motivated; 4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and 5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.§

marketing period The time it takes an interest in real property to sell on the market subsequent to the date of an appraisal. ‡

net lease Lease in which all or some of the operating expenses are paid directly by the tenant. The landlord never takes possession of the expense payment. In a *Triple Net Lease* all operating expenses are the responsibility of the tenant, including property taxes, insurance, interior maintenance, and other miscellaneous expenses. However, management fees and exterior maintenance are often the responsibility of the lessor in a triple net lease. A *modified net lease* is one in which some expenses are paid separately by the tenant and some are included in the rent.

net rentable area (NRA) 1) The area on which rent is computed. 2) The Rentable Area of a floor shall be computed by measuring to the inside finished surface of the dominant portion of the permanent outer building walls, excluding any major vertical penetrations of the floor. No deductions shall be made for columns and projections necessary to the building. Include space such as mechanical room, janitorial room, restrooms, and lobby of the floor. *

occupancy rate The relationship or ratio between the income received from the rented units in a property and the income that would be received if all the units were occupied.‡

prospective value opinion A forecast of the value expected at a specified future date. A prospective value opinion is most frequently sought in connection with real estate projects that are proposed, under construction, or under conversion to a new us, or those that have not achieved sellout or a stabilized level of long-term occupancy at the time the appraisal report is written. ‡

reasonable exposure time The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based upon an analysis of past events assuming a competitive and open market. ††

rent
See
full service lease
net lease
market rent
contract, coupon, face, or nominal rent
effective rent

shell rent The typical rent paid for retail, office, or industrial tenant space based on minimal "shell" interior finishes (called plain vanilla finish in some areas). Usually the landlord delivers the main building shell space or some minimum level of interior build-out, and the tenant completes the interior finish, which can include wall, ceiling, and floor finishes; mechanical systems, interior electric, and plumbing. Typically these

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are long-term leases with tenants paying all or most property expenses. ‡

surplus land Land not necessary to support the highest and best use of the existing improvement but, because of physical limitations, building placement, or neighborhood norms, cannot be sold off separately. Such land may or may not contribute positively to value and may or may not accommodate future expansion of an existing or anticipated improvement. *See also* excess land. ‡

usable area 1) The area actually used by individual tenants. 2) The Usable Area of an office building is computed by measuring to the finished surface of the office side of corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Excludes areas such as mechanical rooms, janitorial room, restrooms, lobby, and any major vertical penetrations of a multi-tenant floor. *

use value Use value is a concept based on the productivity of an economic good. Use value is the value a specific property has for a specific use. Use value focuses on the value the real estate contributes to the enterprise of which it is a part, without regard to the property's highest and best use or the monetary amount that might be realized upon its sale. †

value indication An opinion of value derived through application of the appraisal process. ‡

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† *The Appraisal of Real Estate*, Twelfth Edition, Appraisal Institute, 2001.

‡ *The Dictionary of Real Estate Appraisal*, Fourth Edition, Appraisal Institute, 2002.

§ Office of Comptroller of the Currency (OCC), 12 CFR Part 34, Subpart C – Appraisals, 34.42 (g); Office of Thrift Supervision (OTS), 12 CFR 564.2 (g); Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 4th ed. (Chicago: Appraisal Institute, 2002), 177-178. This is also compatible with the RTC, FDIC, FRS and NCUA definitions of market value as well as the example referenced in the *Uniform Standards of Professional Appraisal Practice (USPAP)*.

* 2000 BOMA Experience Exchange Report, Income/Expense Analysis for Office Buildings (Building Owners and Managers Association, 2000)

†† *Statement on Appraisal Standard No. 6*, Appraisal Standards Board of The Appraisal Foundation, September 16, 1993, revised June 15, 2004.

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ADDENDUM B

IMPROVED SALE DATA SHEETS

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City Centre Building (06/2008)

Location Data

Location:	**200 Pine Avenue**
	Long Beach,CA
County:	**Los Angeles**
Assessor's Parcel No:	**7280-020-018**
Atlas Ref:	**795-D7**

Physical Data

Type:	**Multi Tenant**
Land Area:	**0.5200 Acres**
Gross Building Area:	**N/A**
Net Rentable Area:	**67,070 SF**
Usable Bldg Area:	**N/A**
Year Built:	**1968 1994**
No. of Stories:	**6**
Parking:	**1.9/1000**
Condition:	**Average**
Exterior Walls:	**Glass Curtain Wall**
Class:	**B**
Amenities:	**On Site Management, Restaurant**

Financial Data

Source:	**N/A**
Occupancy at Sale:	**79%**
Existing or ProForma Inc:	**Existing**

	Total	Per SF
Potential Gross Income:	N/A	N/A
Vacancy and Credit Loss:	N/A	N/A
Effective Gross Income:	N/A	N/A
Expenses and Reserves:	N/A	N/A
Net Operating Income:	**$755,037**	**$11.26**

Sale Data

Transaction Type:	**Sale**
Date:	**6/2008**
Marketing Time:	**6 months**
Grantor:	**LBH Land Holding Company LLC**
Grantee:	**Real Group II, LLC (Realm Group)**
Document No.:	**08-0965616**
Sale Price:	**$9,600,000**
Financing:	**Not Available**
Cash Eq.Price:	**$9,600,000**
Req.Capital Cost:	**$0**
Adj. Sale Price:	**$9,600,000**
Verification:	**Listing Broker**

Analysis

Buyers Underwriting Criteria.:	**Price Per S.F.**
Overall Cap. Rate (OAR):	**7.86 %**
Projected IRR:	**N/A %**
Eff. Gross Multiplier (EGIM):	**N/A**
Oper. Expense Ratio (OER):	**N/A %**
Price Per Square Foot:	**$143.13**

Comments

This comparable represents the June 2008 sale of a 6-story, 67,070-square-foot, office building located on the northeast corner of Broadway and Pine Avenue in downtown Long Beach. The property is two blocks north of Ocean Boulevard and roughly one-half mile north of the ocean. Pine Avenue is the primary retail corridor in Downtown Long Beach. Land use along Pine Avenue is dominated by a mixture of office and ground floor restaurants. The 1968-built, Class B office building with ground level retail has a five-level parking garage. At the time of sale the property was leased to 23 tenants and operating at 79 percent occupancy. The average occupied suite size is 2,305 rentable square feet. The sale price was $9,600,000, or $143.13 per square foot. At the time of sale the net operating income was approximately $755,037 ($11.26 per square foot), indicating a capitalization rate of 7.86 percent. However, the buyer plans to invest $3,026,545 in rehabilitation of the property, indicating a net sale price of 12,626,545, or $188.26 per square foot. The buyer's pro forma estimates were not available.

The property previously sold in April 2007 for $8,250,000, or $123.00 square foot. At the time it was approximately 70 percent occupied and the implied going-in capitalization rate was 10.7 percent, as the property sold at a discount due to renovations that were required.

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500 S. Virgil Ave. (03/2008)

Location Data

Location:	500 S. Virgil Ave.
	Los Angeles,CA 90020
County:	Los Angeles
Assessor's Parcel No:	5077-005-021, 023 & 024
Atlas Ref:	634/B2

Physical Data

Type:	Single Tenant
Land Area:	1.2500 Acres
Gross Building Area:	43,380 SF
Net Rentable Area:	43,380 SF
Usable Bldg Area:	43,380 SF
Year Built:	1960
No. of Stories:	4
Parking:	90 Surface
Condition:	Average
Exterior Walls:	Concrete
Class:	B
Amenities:	N/A

Sale Data

Transaction Type:	Sale
Date:	3/2008
Marketing Time:	N/A
Grantor:	LA County Employees Association
Grantee:	500 S Virgil LLC
Document No.:	08-0430739
Sale Price:	$11,600,000
Financing:	Cash to Seller
Cash Eq.Price:	$11,600,000
Req.Capital Cost:	$0
Adj. Sale Price:	$11,600,000
Verification:	Seller's Broker

Financial Data

Source:	N/A
Occupancy at Sale:	100
Existing or ProForma Inc:	N/A

	Total	Per SF
Potential Gross Income:	$780,840	$18.00
Vacancy and Credit Loss:	$39,042	$0.90
Effective Gross Income:	$741,798	$17.10
Expenses and Reserves:	N/A	N/A
Net Operating Income:	$741,798	$17.10

Analysis

Buyers Underwriting Criteria.:	Price Per S.F.
Overall Cap. Rate (OAR):	6.39 %
Projected IRR:	N/A %
Eff. Gross Multiplier (EGIM):	15.64
Oper. Expense Ratio (OER):	N/A %
Price Per Square Foot:	$267.40

Comments

This comparable is the April 2008 sale of a 43,380-square-foot, 1960-built, four-story office building located on at the southeast corner of 5th Street and Virgil Avenue, extending to the southwest corner of 5th Street and Commonwealth Avenue, in the Koreatown/Westlake neighborhood of the City of Los Angeles. Parking for approximately 90 cars is available in an on-site surface lot.

The sale price of $11,600,000 equates to $267.40 per square foot of building area. The property was owned and occupied by SEIU Local 660 at teh time of sale. Local 660 had recently merged with five other unions and needed a larger building (approximately 125,000 square feet). The buyer was a group of local Korean investors that intended to convert the buiding into medical office condominiums along with an adjacent "sister" building under a separate ownership group that included some parties also involved in the group buying this property.

The Seller leased back the entire property for two years, with a one-year option to extend. The initial rent is $1.50 per square foot, triple-net, with 3.0 percent annual increases. The Seller's broker indicated that a slightly better rental rate might have been possible if the tenant had was willing to relocate but that the lease rate was essentially at market terms. No improvement allowance or free rent was granted. Assuming a vacancy and collection allowance of 5.0 percent, this equates to a capitalization rate of 6.4 percent.

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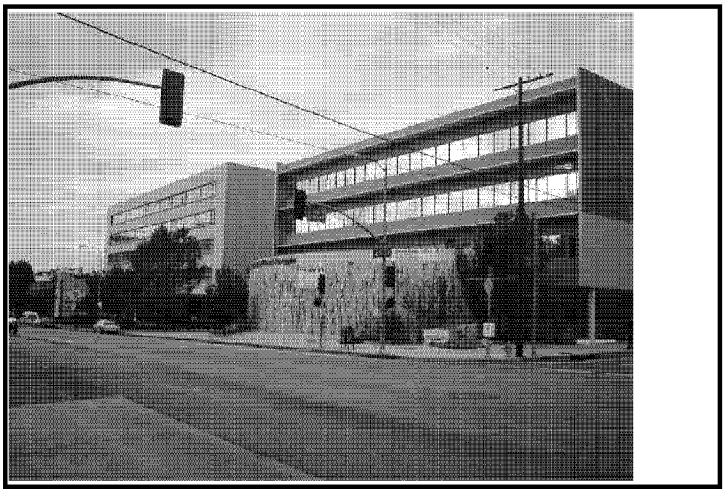
1111-1125 West 6th



Location Data

Location:	**1111-1125 W. 6th Street**
	Los Angeles,CA 90017
County:	**Los Angeles**
Assessor's Parcel No:	**5152-001-014,021,023**
Atlas Ref:	**634, D-3**

Physical Data

Type:	**Multi Tenant**
Land Area:	**1.9100 Acres**
Gross Building Area:	**111,010 SF**
Net Rentable Area:	**97,878 SF**
Usable Bldg Area:	**N/A**
Year Built:	**1955 Ren. 1997**
No. of Stories:	**5**
Parking:	**3.1/1,000 SF**
Condition:	**Average**
Exterior Walls:	**Concrete & Glass**
Class:	**B**
Amenities:	**309-car parking structure**

Financial Data

Source:	**Broker**
Occupancy at Sale:	**97**
Existing or ProForma Inc:	**Existing**

	Total	Per SF
Potential Gross Income:	**$2,129,305**	**$21.75**
Vacancy and Credit Loss:	**$21,293**	**$0.22**
Effective Gross Income:	**$2,108,012**	**$21.54**
Expenses and Reserves:	**$992,488**	**$10.14**
Net Operating Income:	**$1,115,524**	**$11.40**

Sale Data

Transaction Type:	**Sale**
Date:	**1/2008**
Marketing Time:	**48 months**
Grantor:	**Sixth Street Capital Investors**
Grantee:	**Trammel Crow Development**
Document No.:	**N/A**
Sale Price:	**$18,500,000**
Financing:	**Cash to Seller**
Cash Eq.Price:	**$18,500,000**
Req.Capital Cost:	**$0**
Adj. Sale Price:	**$18,500,000**
Verification:	**Selling Broker**

Analysis

Buyers Underwriting Criteria.:	**Direct Cap**
Overall Cap. Rate (OAR):	**6.03 %**
Projected IRR:	**N/A %**
Eff. Gross Multiplier (EGIM):	**8.78**
Oper. Expense Ratio (OER):	**47.08 %**
Price Per Square Foot:	**$189.01**

Comments

This comparable is the January 2008 sale of a two-building office project in Downtown Los Angeles. The property is situated at the northwest corner of 6th Street and Bixel Street, one block west of the Harbor Freeway (Interstate 110). It is just west of the downtown Financial District, in an area known as Central City West. The local area is developed with a mix of low to mid-rise office and multifamily residential properties. The buildings were built in 1955 and 1967 and were renovated in 1996 and 1997. The buildings are each five stories in height and contain an aggregate net rentable area equal to 97,878 square feet. Onsite parking is provided by a three-level parking structure with 309 spaces. This indicates a parking ratio of 3.1 spaces per 1,000 square feet of building area. The property was 97 percent leased at the time of sale on a multitenant basis, including some medical office. The property sold to Trammell Crow Development, which based its acquisition price on the in-place income and potential upside due to 30 percent lease roll over through 2009. The sale price was $18,500,000, or $189 per square foot of building area, all cash to the seller. The indicated capitalization rate was 6.03 percent.

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Gale Commercial Center

Location Data

Location:	**17171 Gale Avenue**
	City of Industry,CA 91745
County:	**Los Angeles**
Assessor's Parcel No:	**8242-025-048**
Atlas Ref:	**678-G3**

Physical Data

Type:	**Multi Tenant**
Land Area:	**2.9800 Acres**
Gross Building Area:	**49,280 SF**
Net Rentable Area:	**49,280 SF**
Usable Bldg Area:	**49,280 SF**
Year Built:	**1959 Ren 1987**
No. of Stories:	**1**
Parking:	**3.2/1,000**
Condition:	**Average**
Exterior Walls:	**CTU**
Class:	**B**
Amenities:	**N/A**

Financial Data

Source:	**Buyer**
Occupancy at Sale:	**95**
Existing or ProForma Inc:	**Pro Forma**

	Total	Per SF
Potential Gross Income:	N/A	N/A
Vacancy and Credit Loss:	N/A	N/A
Effective Gross Income:	N/A	N/A
Expenses and Reserves:	N/A	N/A
Net Operating Income:	**$752,760**	**$15.28**

Sale Data

Transaction Type:	**Sale**
Date:	**1/2008**
Marketing Time:	**16 months**
Grantor:	**Philip MacDonald**
Grantee:	**Steven Wise - Big Valley Gale -**
Document No.:	**0149653**
Sale Price:	**$9,250,000**
Financing:	**Cash to Seller**
Cash Eq.Price:	**$9,250,000**
Req.Capital Cost:	**$-394,000**
Adj. Sale Price:	**$8,856,000**
Verification:	**Allen Buchanan - Lee & Assco.**

Analysis

Buyers Underwriting Criteria.:	**Direct Cap**
Overall Cap. Rate (OAR):	**8.50 %**
Projected IRR:	**N/A %**
Eff. Gross Multiplier (EGIM):	**N/A**
Oper. Expense Ratio (OER):	**N/A %**
Price Per Square Foot:	**$179.71**

Comments

The buyer was able to assume an existing loan, which the buyer's broker believes was favorable in terms of both the overall leverage and the rate and felt that credit markets were beginning to show uncertainty at the time. Buyer received a credit for roof, parking lot, HVAC and tenant improvements. State of California exercised a termination option on approximately 30 percent of the space during the marketing period. This uncertainty lengthened the marketing process and caused several buyers to cancel escrow at the last minute. The buyer's broker reports that a lease was executed for the State of California space prior to the close of escrow but that the buyer was responsible for moving them out and moving the new tenant in, which required a conditional use permit. The buyer's broker reports the actual cap rate, assuming the new tenant's lease, was approximatley 8.5 percent.

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ADDENDUM C

RENT COMPARABLE DATA SHEETS

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3001 W. Vernon Avenue (07/2008)

Location Data

Location:	**3001 W. Vernon Avenue**
	Los Angeles,CA 90008
County:	**Los Angeles**
Assessor's Parcel No:	**N/A**
Atlas Ref:	**N/A**

Physical Data

Type:	**Multi Tenant**
Gross Building Area:	**6,145 SF**
Net Rentable Area:	**6,145 SF**
Usable Building	**6,145 SF**
Loss Factor:	**N/A**
Year Built:	**1965 1994 Renovated**
# of Stories:	**2**
Parking:	**14 Surface**
Condition:	**Average**
Exterior Walls:	**Stucco**
Class:	**C**
Amenities:	**N/A**

Occupancy / Lease Data

Occupancy:	**100**
Typical Size:	**3,000 SF**
Term:	**5 Yrs.**
Base Rent PSF:	**1.75 PSF**
Rent Escalations:	**3% Annual**
Basis:	**Gross**
Expense Pass-Thru:	**N/A**
Free Rent (months):	**Neg.**
Tenant Improvement:	**Neg.**
Leasing Agent:	**CBRE - Aaron Anderson**
Phone No.:	**3238383161**
Survey Date:	**07/2008**

Recent Leases

Date	Size (SF)	Tenant	Rent (PSF)	TI (PSF)	Free Rent (Months)	Escalations	Term (Yrs)
Neg.	3,000	EW Holding Company	$1.75		0	3% Annual	5.00

Comments

This comparable is a 6,145-square-foot office building located on Vernon Avenue, east of Crenshaw Boulevard, in the Leimert Park neighborhood of the City of Los Angeles. Regional acess is provided by the Santa Monica (10) Freeway, roughly two miles north of the property via Crenshaw Boulevard. The two-story improvements were constructed in 1965, and extensively renovated and upgraded in 1994 when the building was moved from Westchester to its current location. Surface parking is available for up to 15 vehicles.

A 3,000-square-foot portion of the proeprty is being leased back to the owner/seller of the property. The starting rent for the five-year lease will be $1.75 per square foot, on a gross basis, with annual increases of three percent. The rental rate includes the use of four parking spaces. No free rent or tenant improvement allowance was provided.

Up to 10,000 square feet is currently available on the basement level, which can be demised to as little as 1,150 square feet. The asking rate is between $1.00 and $1.25 per square foot depending primarily on the size and lease term.

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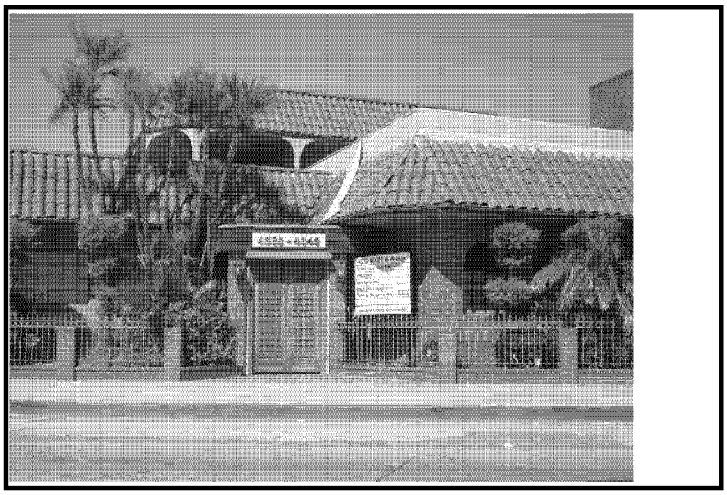
4332 11th Ave. (07/2008)



Location Data

Location:	**4332 11th Ave.**
	Los Angeles,CA 90008
County:	**Los Angeles**
Assessor's Parcel No:	**N/A**
Atlas Ref:	**673/F3**

Physical Data

Type:	**Multi Tenant**
Gross Building Area:	**5,652 SF**
Net Rentable Area:	**5,652 SF**
Usable Building	**5,652 SF**
Loss Factor:	**N/A**
Year Built:	**1940 Ren. 1999**
# of Stories:	**2**
Parking:	**1.0:1,000**
Condition:	**Good**
Exterior Walls:	**Wood/Stucco**
Class:	**B**
Amenities:	**N/A**

Occupancy / Lease Data

Occupancy:	**76.1%**
Typical Size:	**N/A**
Term:	**3 yrs**
Base Rent PSF:	**$2.16 psf/mo**
Rent Escalations:	**Annual 5%**
Basis:	**Gross**
Expense Pass-Thru:	**None**
Free Rent (months):	**None**
Tenant Improvement:	**None**
Leasing Agent:	**Deanne Curls**
Phone No.:	**(323)353-0496**
Survey Date:	**07/2008**

Recent Leases

Date	Size (SF)	Tenant	Rent (PSF)	TI (PSF)	Free Rent (Months)	Escalations	Term (Yrs)
Avail	1,350	N/A	$1.77		0	Annual 5%	5.00

Comments

This comparable is a 5,652-square-foot multi-tenant office building located on 11th Avenue, just east of Leimert Boulevard in the Leimert Park neighborhood of the city of Los Angeles. There are six office suites total. The property is in good condition and has six unassigned on-site parking spaces.

Currently a 1,350-square-foot suite is avaialble for between $2,200 and $2,400 per month ($1.62 to $1.77 psf per month) on a gross basis. This is the largest suite in the building. The landlord is seeking a lease term of five years, with annual increases of 5.0 percent. No free rent or improvement aloowance is being offered.

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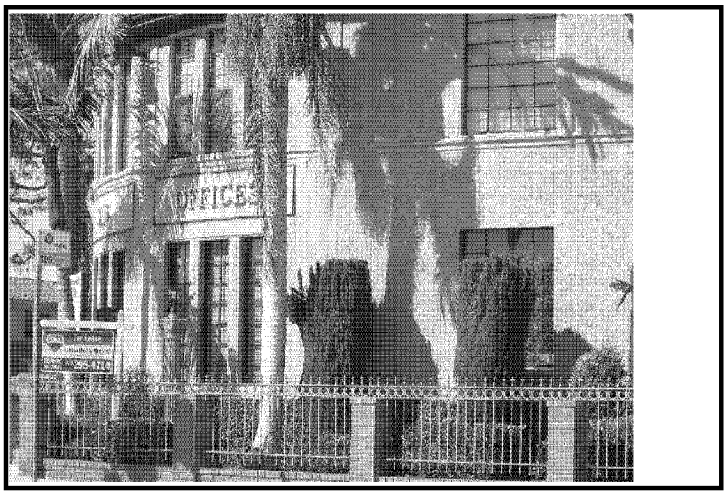
4340 Leimert Blvd. (07/2008)



Location Data

Location:	**4340 Leimert Bldv.**
	Los Angeles,CA 90008
County:	**Los Angeles**
Assessor's Parcel No:	**N/A**
Atlas Ref:	**673/F3**

Physical Data

Type:	**Multi Tenant**
Gross Building Area:	**5,652 SF**
Net Rentable Area:	**5,652 SF**
Usable Building	**5,652 SF**
Loss Factor:	**N/A**
Year Built:	**1940**
# of Stories:	**1**
Parking:	**None**
Condition:	**Good**
Exterior Walls:	**Wood/Stucco**
Class:	**B**
Amenities:	**N/A**

Occupancy / Lease Data

Occupancy:	**85%**
Typical Size:	**N/A**
Term:	**3 yrs**
Base Rent PSF:	**$2.16 psf/mo**
Rent Escalations:	**Annual 5%**
Basis:	**Modified Gross**
Expense Pass-Thru:	**Varies**
Free Rent (months):	**None**
Tenant Improvement:	**None**
Leasing Agent:	**Deanne Curls**
Phone No.:	**(323)353-0496**
Survey Date:	**07/2008**

Recent Leases

Date	Size (SF)	Tenant	Rent (PSF)	TI (PSF)	Free Rent (Months)	Escalations	Term (Yrs)
01/2008	250	Confidential	$2.80		0	Annual 5%	3.00
Avail	831	N/A	$2.16		0	Annula 5%	3.00

Comments

This comparable is a 5,652-square-foot multi-tenant office building located at the corner of Leimert Boulevard and 11th Avenue in the Leimert Park neighborhood of the city of Los Angeles. The property is in good condition but has no on-site parking.
Currently an 831-square-foot suite is avaialble for $1,800 per month ($2.16 psf per month). Expense reimbursements for janitorial and utilities are approximately $150 per month ($0.18 psf per month). The landlord is seeking a lease term between two and five years, with annual increases of 5.0 percent. No free rent or improvement aloowance is being offered. In january 2008 a 250-square-foot suite leased for $700 per month ($2.80 psf per month) on a three year term, with annual increase of 5.0 percent. The tenant does not pay any additional expense reimbursements, which were factored into the monthly rent. The space was leased as-is and no free rent was granted.

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4401 Crenshaw Boulevard (07/2008)

Location Data

Location:	**4401 Crenshaw Boulevard**
	Los Angeles,CA 90043
County:	**Los Angeles**
Assessor's Parcel No:	**N/A**
Atlas Ref:	**N/A**

Physical Data

Type:	**Multi Tenant**
Gross Building Area:	**57,500 SF**
Net Rentable Area:	**57,500 SF**
Usable Building	**57,500 SF**
Loss Factor:	**N/A**
Year Built:	**1955 1988 Renovation**
# of Stories:	**3**
Parking:	**150 Surface**
Condition:	**Good**
Exterior Walls:	**Concrete and Masonry**
Class:	**B**
Amenities:	**N/A**

Occupancy / Lease Data

Occupancy:	**100**
Typical Size:	**N/A**
Term:	**Neg.**
Base Rent PSF:	**Varies**
Rent Escalations:	**Neg.**
Basis:	**NNN**
Expense Pass-Thru:	**N/A**
Free Rent (months):	**Neg.**
Tenant Improvement:	**Neg.**
Leasing Agent:	**Transwestern - Eric Moore**
Phone No.:	**2134302534**
Survey Date:	**07/2008**

Recent Leases

Date	Size (SF)	Tenant	Rent (PSF)	TI (PSF)	Free Rent (Months)	Escalations	Term (Yrs)
Avail	10,000	Basement Space	$1.00		Neg.	Neg.	
10/02/20	4,643	LA Child Guidance Center	$1.90		N/A	N/A	5.00

Comments

This comparable is a 57,500-square-foot office building primarily occupied by Washington Mutual, with a ground floor retail branch. The property is located at a signalized intersection on Crenshaw Boulevard, just north of Vernon Avenue, in the Leimert Park neighborhood of the City of Los Angeles. This is the dominant commercial corridor within the community. Regional acess is provided by the Santa Monica (10) Freeway, roughly two miles north of the property via Crenshaw Boulevard. The three-story improvements were constructed in 1955, renovated in 1988 and are currently in good condition. Surface parking is available for up to 150 vehicles.

A 4,643-square-foot suite on the second floor leased to the Los Angeles Child Guidance Center in October 2007. The starting rent for the five-year lease was $1.90 per square foot, on a fully serviced basis. We were not provided with any additional details of this transaction.

Up to 10,000 square feet is currently available on the basement level, which can be demised to as little as 1,150 square feet. The

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4918 1/2 W. Adams Blvd. (07/2008)

Location Data

Location:	**4918 1/2 W. Adams Blvd.** **Los Angeles,CA 90016**
County:	**Los Angeles**
Assessor's Parcel No:	**N/A**
Atlas Ref:	**N/A**

Physical Data

Type:	**Single Tenant**
Gross Building Area:	**4,350 SF**
Net Rentable Area:	**4,350 SF**
Usable Building	**4,350 SF**
Loss Factor:	**N/A**
Year Built:	**1924**
# of Stories:	**1**
Parking:	**5 Free Surface**
Condition:	**Average**
Exterior Walls:	**Stucco**
Class:	**C**
Amenities:	**Private yard, hardwood floors, kitchen**

Occupancy / Lease Data

Occupancy:	**65.5**
Typical Size:	**1,500 SF**
Term:	**3-5 Yrs**
Base Rent PSF:	**1.50 PSF/Mo**
Rent Escalations:	**3%-4%/Yr**
Basis:	**NNN**
Expense Pass-Thru:	**N/A**
Free Rent (months):	**None**
Tenant Improvement:	**None**
Leasing Agent:	**Fouquette RE - Diana Chretien**
Phone No.:	**3102021280**
Survey Date:	**07/2008**

Recent Leases

Date	Size (SF)	Tenant	Rent (PSF)	TI (PSF)	Free Rent (Months)	Escalations	Term (Yrs)
Avail	1,500	TBD	$1.50		0	3%-4%	3.00

Comments

This comparable represents an available 1,500-square-foot suite in a 4,350-square-foot building that appears to be a converted single-family home. The property is located on Adams Boulevard, just east of La Brea Avenue, in the City of Los Angeles. La Brea Avenue provides direct access to the Santa Monica (10) Freeway, one block north of Adams Boulevard. The single-story improvements were constructed in 1924 and are in average condition. Free on-site parking is available for up to five vehicles.

The asking rent for the available suite is $2,250 per month, or $1.50 per square foot, on a triple net basis. The owner is seeking a three- to fiev-year term with annual escalations of three to four percent. Neither free rent nor a tenant improvement allowance is being offered.

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ADDENDUM D

GRANT DEEDS & LEGAL DESCRIPTIONS

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SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

GRANT DEED

APN 5058-015-005

216875-21

© 2008 CB Richard Ellis, Inc.

RECORDING REQUESTED BY
Alliance Title Company
AND WHEN RECORDED MAIL TO
Christiana Bank & Trust
Name West Adams Investment Trust
Street Address James Young
1314 King Street
City,State Zip P.O. Box 957
Wilmington, DE 19899-0957

Order No. 15172247-364-MM7

3

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

THE UNDERSIGNED GRANTOR(s) DECLARE(s)
City of Los Angeles
Conveyance Tax is $ $13,079.25 (44)
Parcel No. 5058-015-005

Documentary Transfer Tax is $ $3,197.15 (80)
☐ computed on full value of interest or property conveyed, or
XX ☐ full value less value of liens or encumbrances remaining at the time of sale

Declarant or Agent Determining Tax

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
En Golden State LLC ,a Florida limited liability company
hereby GRANT(s) to

WEST ADAMS INVESTMENT TRUST, A DELAWARE STATUTORY TRUST

the following real property in the city of Los Angeles, county of Los Angeles, state of California:

Legal description is attached hereto as Exhibit "A' and incorporated here in by this reference.

Dated: August 28, 2006

STATE OF CALIFORNIA
COUNTY OF Los Angeles } S.S.

En Golden State LLC , a Florida limited liability company
Kerry E. Rosenthal, Manager

On August 28, 2006 before me,
Elaine M. Hing

a Notary Public, personally appeared
KERRY E. ROSENTHAL, Manager of
EN GOLDEN STATE LLC
personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s), acted, executed the instrument.

WITNESS my hand and official seal.
Signature Elaine M Hing

ELAINE M. HING
MY COMMISSION # DD 524498
EXPIRES: March 19, 2010
Bonded Thru Budget Notary Services

(This area for official notorial seal)

06 1947815

MAIL TAX STATEMENTS TO PARTY SHOWN ON THE FOLLOWING LINE; IF NO PARTY SHOWN, MAIL AS DIRECTED ABOVE

Name | Street Address | City & State

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EXHIBIT "A"

4

LEGAL DESCRIPTION

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

PARCEL 1:

That portion of Block 18 of West Adams Heights, in the City of Los Angeles, as per map recorded in Book 2 Pages 53 and 54 of Maps, in the Office of the County Recorder of said County, lying Northerly of a line that is parallel with and distant Northerly 245 feet measured at right angles from the center line of Adams Boulevard, formerly Adams Street, as shown on said map.

EXCEPT therefrom the Northerly 200 feet of said land.

ALSO EXCEPT that portion included within Western Avenue.

PARCEL 2:

The Westerly 121.80 feet of that portion of Block 18 of West Adams Heights, in the City of Los Angeles, as per map recorded in Book 2 Pages 53 and 54 of Maps, in the Office of the County Recorder of said County, lying Southerly of a line that is parallel with and distant Northerly 245 feet measured of right angles from the center line of Adams Boulevard, formerly Adams Street, as shown on said Map.

EXCEPT therefrom that portion included within Western Avenue.

APN: 5058-015-005

06 1947815

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ADDENDUM E

ASSESSOR'S PROPERTY INFORMATION

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PROPERTY INFORMATION

1) Property: **1999 W ADAMS BLVD, LOS ANGELES CA 90018-3500 C015**

APN:	**5058-015-005**		Card#:			Use:	**FINANCIAL BUILDING**
County:	**LOS ANGELES, CA**		Prop Tax:	**$97,739.43**		Total Value:	**$8,211,000**
MapPg/Grid:	**633-H7**	Old Map: **43-E5**	Tax Year:	**2007**	Delinq:	Land Value:	**$6,222,000**
Census:	**2215.00**	Tract #:	Tax Area:	**312**		Imprv Value:	**$1,989,000**
High School:	**LOS ANGELES UNIF**		Elem School:			Taxable Val:	**$8,211,000**
Comm Coll:	**LOS ANGELES CITY**		Exemptions:			Assd Year:	**2008**
Subdivision:	**WEST ADAMS HEIGHTS**					% Improved:	**024%**
Owner:	**WEST ADAMS**					Phone:	
						Owner Vest:	/ / **TR**

Mail: **PO BOX 957; WILMINGTON DE 19899-0957 B008**

Owner Transfer = Rec Dt: **08/31/2006** Price: Doc#: **1947817** Type: **ASSUMPTION OF LEASE**
Sale Dt: **08/28/2006**

SALE & FINANCE INFORMATION

	LAST SALE		PRIOR SALE	
Recording/Sale Date:	**05/20/2005**	**05/18/2005**	**04/15/1983**	
Sale Price/Type:			**$12,500**	**PARTIAL**
Document #:	**1190341**		**415042**	
Deed Type:	**GRANT DEED**		**DEED (REG)**	
1st Mtg Amt/Type:	**$5,250,000**	**CONV**		
1st Mtg Rt/Type/Trm:	/ **FIXED**	/		
1st Mtg Lender:				
2nd Mtg Amt/Type:				
2nd Mtg Rt/Type/Trm:	/	/		
Title Company:				
Seller:	**GOLDEN ST MUTUAL LIFE INS**			
New Construction:				

Other Last Sale Info = # Parcels: Type 2: Pend:

IMPROVEMENTS

Bldg/Liv Area:	**5,234**
Gross Area:	**5,234**
Ground Flr:	
Bsmnt Area:	
$/SqFt:	
Yrblt/Eff:	**1948**
# Stories:	
Rooms:	
Bedrooms:	
Full/Half Bath:	
Ttl Baths/Fixt:	
Fireplace:	
Pool:	
Porch Type:	
Patio Type:	
Construct:	
Foundation:	
Ext Wall:	
Roof Shape:	
Roof Type:	
Roof Matl:	
Floor Type:	
Floor Cover:	
Heat Type:	
Heat Fuel:	
Air Cond:	
Quality:	
Condition:	
Style:	
Equipment:	
Other Rms:	

SITE INFORMATION

# Res. Units:		County Use:	**2300**	Acres:	**1.61**
# Comm Units:		Zoning:	**LAC2**	Lot Area:	**70,349.4**
# Buildings:	**1**	Flood Panel:	**0601370073D**	Lot Width:	
Bldg Class:		Panel Date:	**02/04/1987**	Lot Depth:	
Parking Sqft:		Flood Zone:	**C**	Usable Lot:	
Park Spaces:		Sewer Type:			
Garage Cap#:		Water Type:			
Park Type:					
Other Impvs:					

Legal Blk/Bldg: **18** Site Influence:

Legal Lot/Unit: **15** Amenities:

Legal: **WEST ADAMS HEIGHTS LOT COM S 0\05'15" E 200 FT FROM NE COR OF BLK 18 TH S 0\05' 15" E 177.28 FT TH S 89\50'45" W 160.7 FT TH S 0\05'15" E 200 FT TH S 89\50'45" W 111.8 FT TH N 0\05'15" W 377.28 FT TH**

ADDENDUM F

QUALIFICATIONS

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QUALIFICATIONS OF MARK S. MONIZ

Real Estate Analyst
CB RICHARD ELLIS, INC.
Valuation & Advisory Services
355 South Grand Avenue, Suite 1200
Los Angeles, California 90071-1549
Phone: (213) 613-3036
FAX: (213) 613-3131

EDUCATION

University of Southern California 1998
Bachelor of Science, Real Estate Finance and Marketing

Appraisal Courses:

USPAP

LICENSES/CERTIFICATIONS

Real Estate Salesperson License (inactive), No. 01414632

EMPLOYMENT

CB Richard Ellis, Inc. – Valuation & Advisory Services 2008 - Present
Real Estate Analyst

CB Richard Ellis, Inc. – Brokerage 2003 - 2008
Senior Associate

CB Richard Ellis, Inc. – Valuation & Advisory Services 1998 - 2003
Real Estate Analyst

EXPERIENCE

Appraisal and consulting experience includes the following types of properties:

Automobile Dealerships	Land - Most Uses
Residential Income	Office Buildings
Industrial Parks	Industrial Buildings
Hotels	Shopping Centers
Mixed Use Projects	Proposed Developments
Eminent Domain	Condominium Development

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QUALIFICATIONS OF ROBERT W. GUTZMAN, MAI

Vice President
CB RICHARD ELLIS, INC.
Valuation & Advisory Services
355 South Grand Avenue, Suite 1200
Los Angeles, California 90071-1549
Phone: (213) 613-3683 Fax: (213) 613-3131 E-mail: bob.gutzman@cbre.com

EDUCATION

Occidental College, Bachelor of Arts in Economics 1987
Los Angeles

Appraisal Institute (or other relevant) Courses/Examinations:
Litigation Seminar (1992, 2003, 2007); Real Estate Appraisal Principles (1992); Basic Valuation Procedures (1992); Basic Capitalization Theory and Techniques (1992); Advanced Capitalization Theory and Techniques (1993); Uniform Standards of Professional Appraisal Practice (1993, 1998, 2004, 2006, 2008); Report Writing and Valuation Analysis (1995); Advanced Applications (1996); The Law and Value (2001); Eminent Domain (2002); Advanced Sales Comparison and Cost Approaches (2003); Business Practices and Ethics (2004); Special Purpose Properties (2005); Income Valuation of Small, Mixed-Use Properties (2005); numerous seminars and workshops

LICENSES/CERTIFICATIONS

Member, Appraisal Institute (MAI) – Designation Number 11482 (April 1999)
California Certified General Real Estate Appraiser, Number AG025646 (February 1996)

EMPLOYMENT

CB Richard Ellis, Inc. – Valuation & Advisory Services 1993 to Present
Vice President, Los Angeles Office

IBAR Settlement Co., Inc. 1990 to 1993
Economist/Expert Witness, Pasadena

First Interstate Bank of California 1989 to 1990
Local Markets Analyst, Los Angeles

EXPERIENCE

Experience in appraising various complex income-producing properties including office buildings, retail centers, single and multi-tenant industrial buildings, apartment buildings, and specialty commercial buildings. Also experienced in appraising vacant land (including underwater land parcels), single-family residences, easements, and small income-producing properties.

Reports have been used for functions such as purchase and sale, permanent financing, collateral management, property tax appeals, eminent domain proceedings, and real estate litigation.

Guest speaker for the Southern California Chapter of the Appraisal Institute.

EXPERT WITNESS

Qualified as an expert witness in California State Superior Court in real estate appraisal. Also qualified in United States Federal Court and California State Superior Court in forensic economics.

Testified before the Los Angeles County Assessment Appeals Hearing Officer.

© 2008 CB Richard Ellis, Inc.

SUMMARY FORMAT: 11.01.06

Notes:

- **Text-linked version; please ensure that you have the latest normal.dot file (found on iChannel) prior to working with any format;**
- **Turn Hidden Text ON to see all instructions;**
- **Use the 'Link Utility 1.1' to link your Word & XL files;**
- **Format is designed to work for any of the four basic property types, however, you must choose appropriate property type when initializing Excel;**
- **Delete any sections that are not applicable to your assignment (i.e., Excess Land, DCF Analysis, etc.).**

APPRAISER NOTES

1. Make sure the view hidden text option is turned on – use the red T on yellow bubble macro icon to toggle the hidden text on and off for both viewing and printing.
2. Within the Certification of the Appraisal, the style for the certification items should be NormalNumbered with no tabs. If necessary, remove any tabs by selecting: Format – Style – NormalNumbered – Modify – Format - Tabs – Clear All.

LINKING INSTRUCTIONS

The Word and Excel files should first be saved to your job folder within your working directory (**c:\work in progress**) named as you normally would by file no. and description (e.g. 08-251LA-0928_Description.doc and 08-251LA-0928_Description.xls). Then use the Link Utility 1.1 file (found on iChannel) to set up your initial links. Alternatively, you may use the manual method below for portions of your doc. Both Word & XL files should be open when you link manually.

1. Open the Word & Excel files; from the Word document, select Edit - Links. The Links window will open on your screen and the first linked item should be highlighted (i.e., Proj_Name_Text).
2. Click on the Change Source... button to change the first link only.
3. Navigate to your new target Excel file, double-click it, and then select OK.
4. Select [ALT-F9] to reveal the field codes in the document; select [CTRL-H] to open the Find & Replace dialog box.
5. Choose the second linked item (i.e., Property_Street), select the file/folder structure for the existing target file (everything in the first set of quotes), copy [CTRL-C] & paste [CTRL-V] to the 'Find what:' field (i.e., C:\\cbrefmts\\Formats 2004\\Retail 0504.xls).
6. Select the file/folder structure for the new target job file that you initially linked (again everything in quotes) and copy/paste to 'Replace with:' field using the same keystrokes as above (i.e., C:\\work in progress\\04-000AA-0001_SampleRetailCenter\\04-000AA-0001.xls).
7. Select Replace All, OK and Close.
8. Select Edit – Links to open the link dialog box. Scroll to the top of the list of linked items, select the first item, then holding the shift key down and press the end key to select all of the linked items. Select Update Now to update all of the links. **Repeat this step to update the links a second time**. Save your Word document. You are now ready to work on your Word or Excel file.

RE-INSERTING A LINKED ITEM

If you need to re-insert a linked Excel chart or text link, follow the steps below:

1. For a chart, copy the chart in Excel using the appropriate macro button; switch to Word and position the cursor where you want to insert the chart; select the yellow, smiley face macro icon to paste a linked chart, or the white frown-faced macro icon to paste a non-linked chart as a static table.

2. For linked text, copy the applicable text link cell in Excel using standard copy method; switch to Word and position the cursor where you want to insert the linked text; select the blue, ABC macro icon to paste the linked text as a field.

Call Jason Hutchins at 713.840.6623 or Shaun Coleman at 713.840.6664 if you have any questions.

GOLDEN STATE MUTUAL BUILDING
1999 West Adams Boulevard
Los Angeles, Los Angeles County, California 90018
CBRE File No. 08-251LA-1111

Summary Appraisal Report

Prepared for:

Essie Safaie
Director of Development
COMMUNITY IMPACT DEVELOPMENT I, LLC
C/O DUDLEY VENTURES DEVELOPMENT LLC
2930 East Camelback Road, Suite 215
Phoenix, AZ 85016

VALUATION & ADVISORY SERVICES

CBRE
CB RICHARD ELLIS

EXHIBIT 31

THIS AGREEMENT made this 19th day of August in the year 1948 by and between Mr. Charles H. Alston, 555 Edgecomb Ave., New York 32, New York, hereinafter known as the Artist, and the Golden State Mutual Life Insurance Company, 4261 Central Ave., Los Angeles, California, hereinafter known as the Owner,

WITNESSETH, that the Artist and the Owner for the consideration hereinafter named, agree as follows:

ARTICLE 1. The Artist agrees to provide all necessary labor, material, research and equipment to make sketches for and install the completed mural on the northwest wall of the entrance foyer of the new home office building now being erected for the Owner at the northeast corner of Western Avenue and Adams Boulevard, Los Angeles, California, under the direction of and to the satisfaction of Paul R. Williams, hereinafter known as the Architect for the above building. The mural shall be designed to occupy the space alloted to it, as shown on the accompanying drawing prepared by the Architect. The entire southwest wall of the foyer will be glazed and can be of an ultraviolet-ray glass, if desired. The northeast will be a natural wood color which will blend with the marble wainscot. The ceiling color will be selected to compliment the mural, however at the moment it is planned to use a shade of blue which will tie in with the sky tone of the mural. The entire floor will be a dark green terrazzo and the marble wainscot has been tentatively selected in shades of brown and tan.

ARTICLE 2. The theme to be expressed in the mural is the participation of the Negro in the early development of California.

The Artist is to make a complete research of the available material to ascertain that the events, as depicted by him, will be authentic. The composition and the sequence of the subject depicted in the mural is to be left to the Artist, however the Owner reserves the right, through the Architect, to the final sanction as to which subjects will be used in the final painting. It is recommended that the technique be vigorous and portray a feeling of western adventure and rugged individualism.

ARTICLE 3. The Artist, upon completion of the necessary research work, including necessary trips to California, will prepare preliminary sketches not smaller than n.c.N. at the C/4/A. scale of 1" equals 1' - 0" of the proposed mural to the Owner, through the Architect, for his approval. The Artist will also submit a general color scheme and a brief summary, showing the Artist's thinking of the subjects used, along with the preliminary sketches.

Upon approval of the preliminary sketch by the Owner, through the Architect, the Artist will proceed with the completion of and installations of the final mural in the entrance foyer of the Owner's building, referred to above.

ARTICLE 4. All accepted sketches and the final mural shall remain the property of the Owner. The Owner shall have the right to publish reproductions of the mural at any time. The Artist shall receive full credit in any publicity concerning the mural.

ARTICLE 5. The Owner has, simultaneously, entered into a separate contract with Mr. Hale A. Woodruff for the completion and installation of a mural to be installed at the opposite end of the entrance foyer. The Artist agrees to coordinate his work with that of Mr. Hale A. Woodruff so that there will be harmony in treatment of the separate murals with respect to scale of figures, themes and color.

ARTICLE 6. In consideration of the performance of this contract, the Owner agrees to pay to the Artist, in current funds, the sum of $7,500.00 as payment in full for Artist services which shall be made as follows:

(a) $1,500.00 upon the execution of this contract.

(b) $2,000.00 upon the approval of preliminary sketches by the Owner.

(c) $2,000.00 when figures and ground colors are installed on final mural.

(d) Balance of $2,000.00 upon installation and acceptance of mural by the Owner, through the Architect. The Artist shall furnish the Owner with satisfactory release from all claims before final payment is made.

In the event of a delay in the completion of the building, a partial payment may be made of the final payment, retaining $500.00 to cover the cost of the installation and any necessary touching up of the mural.

All expenses incurred by the Artist in the execution of his work, including labor, material, and one N.Y. to L.A. trip to California, are to be borne by him and is included in the fee stated above.

ARTICLE 7. The Owner reserves the right, through the Architect, to request or suggest changes in the work, issue additional instructions as the work progresses. No additional fees will be allowed unless same have been authorized in writing by the Owner.

ARTICLE 8. The Owner reserves the right to provide men and material to complete the mural should the Artist be unable to complete same within a reasonable time, and the expenses for same shall be deducted from the contract price herein stated.

ARTICLE 9. The Artists shall maintain such insurance as will protect him and the Owner from claims under Workmen's Compensation Acts and from any other claims for damages for personal injury, which may arise from the completion of this contract. Certificates of such insurance shall be filed with the Owner, if he so require, and shall be subject to his approval for adequacy of protection.

ARTICLE 10. The Artist shall keep the premises free from accumulation of waste material and rubbish and leave the premises clean.

IN WITNESS THEREOF the parties hereto executed this Agreement, the day and year first above written.

ARTIST

Charles H. Alston

GOLDEN STATE MUTUAL LIFE INSURANCE COMPANY

by_____

by_____

EXHIBIT 32

THIS AGREEMENT made this 19th day of August in the year 1948 by and between Mr. Hale A. Woodruff, 270 Convent Ave. New York 31, New York, hereinafter known as the Artist, and the Golden State Mutual Life Insurance Company, 4261 Central Ave., Los Angeles, California, hereinafter known as the Owner.

WITNESSETH, that the Artist and the Owner for the consideration hereinafter named, agree as follows:

ARTICLE 1. The Artist agrees to provide all necessary labor, material, research and equipment to make sketches for and install the completed mural on the southeast wall of the entrance foyer of the new home office building now being erected for the Owner at the northeast corner of Western Avenue and Adams Boulevard, Los Angeles, California, under the direction of and to the satisfaction of Paul R. Williams, hereinafter known as the Architect for the Above building. The mural shall be designed to occupy the space alloted to it, as shown on the accompanying drawing prepared by the Architect. The entire southwest wall of the foyer will be glazed and can be of an ultraviolet-ray glass, if desired. The norteast will be a natural wood color which will blend with the marble wainscot. The ceiling color will be selected to compliment the mural, however at the moment it is planned to use a shade of blue which will tie in with the sky tone of the mural. The entire floor will be a dark green terazzo and the marble wainscot has been tentatively selected in shades of brown and tan.

ARTICLE 2. The theme to be expressed in the mural is the participation of the Negro in the early development of California.

The Artist is to make a complete research of the available material to ascertain that the events, as depicted by him, will be authentic. The composition and the sequence of the subject depicted in the mural is to be left to the Artist, however the Owner reserves the right, through the Architect, to the final sanction as to which subjects will be used in the final painting. It is recommended that the technique be vigorous and portray a feeling of western adventure and rugged individualism.

ARTICLE 3. The Artist, upon completion of the necessary research work, including necessary trips to California, will prepare preliminary sketches/~~at~~ not smaller than the scale of 1" equals 1' - 0" of the proposed mural to the Owner, through the Architect, for his approval. The Artist will also submit a general color scheme and a brief summary, showing the Artist's thinking of the subjects used, along with the preliminary sketches.

Upon approval of the preliminary sketch by the Owner, through the Architect, the Artist will proceed with the completion of an installations of the final mural in the entrance foyer of the Owner's building, referred to above.

ARTICLE 4. All accepted sketches and the final mural shall remain the property of the Owner. The Owner shall have the right to publish reproductions of the mural at any time. The Artist shall receive full credit in any publicity concerning the mural.

ARTICLE 5. The Owner has, simultaneously, entered into a separate contract with Mr. Charles ~~H~~. Alston for the completion and installation of a mural to be installed at the opposite end of the entrance foyer. The Artist agrees to coordinate his work with that of Mr. Alston so that there will be harmony in treatment of the separate murals with respect to scale of figures, themes and color.

ARTICLE 6. In consideration of the performance of this contract, the Owner agrees to pay to the Artist, in current funds, the sum of $7,500.00 as payment in full for Artist services which shall be made as follows:

(a) $1,500.00 upon the execution of this contract.

(b) $2,000.00 upon the approval of preliminary sketches by the Owner.

(c) $2,000.00 when figures and ground colors are installed on final mural.

(d) Balance of $2,000.00 upon installation and acceptance of mural by the Owner, through the Architect. The Artist shall furnish the Owner with satisfactory release from all claims before final payment is made.

In the event of a delay in the completion of the building, a partial payment may be made of the final payment, retaining $500.00 to cover the cost of the installation and any necessary touching up of the mural.

All expenses incurred by the Artist in the execution of his work, including labor, material, and one trip N.O.H. to California, are to be borne by him and is included in the fee stated above.

ARTICLE 7. The Owner reserves the right, through the Architect, to request or suggest changes in the work, issue additional instructions as the work progresses. No additional fees will be allowed unless same have been authorized in writing by the Owner.

ARTICLE 8. The Owner reserves the right to provide men and material to complete the mural should the Artist be unable to complete same within a reasonable time, and the expense for same shall be deducted from the contract price herein stated.

ARTICLE 9. The Artist shall maintain such insurance as will protect him and the Owner from claims under Workmen's Compensation Acts and from any other claims for damages for personal injury, which may arise from the completion of this contract. Certificates of such insurance shall be filed with the Owner, if he so require, and shall be subject to his approval for adequacy of protection.

ARTICLE 10. The Artist shall keep the premises free from accumulation of waste material and rubbish and leave the premises clean.

IN WITNESS THEREOF the parties hereto executed this Agreement, the day and year first above written.

ARTIST

GOLDEN STATE MUTUAL LIFE INSURANCE COMPANY

by [illegible] President

by

EXHIBIT 33

formal copyright notice. This work may be protected under U.S. Copyright Law (Title 17, U.S. Code), which governs reproduction, distribution, public display, and certain other uses of protected works. Uses may be allowed with permission from the rightsholder, or if the copyright on the work has expired, or if the use is "fair use" or within another exemption. The user of this work is responsible for determining lawfulness.

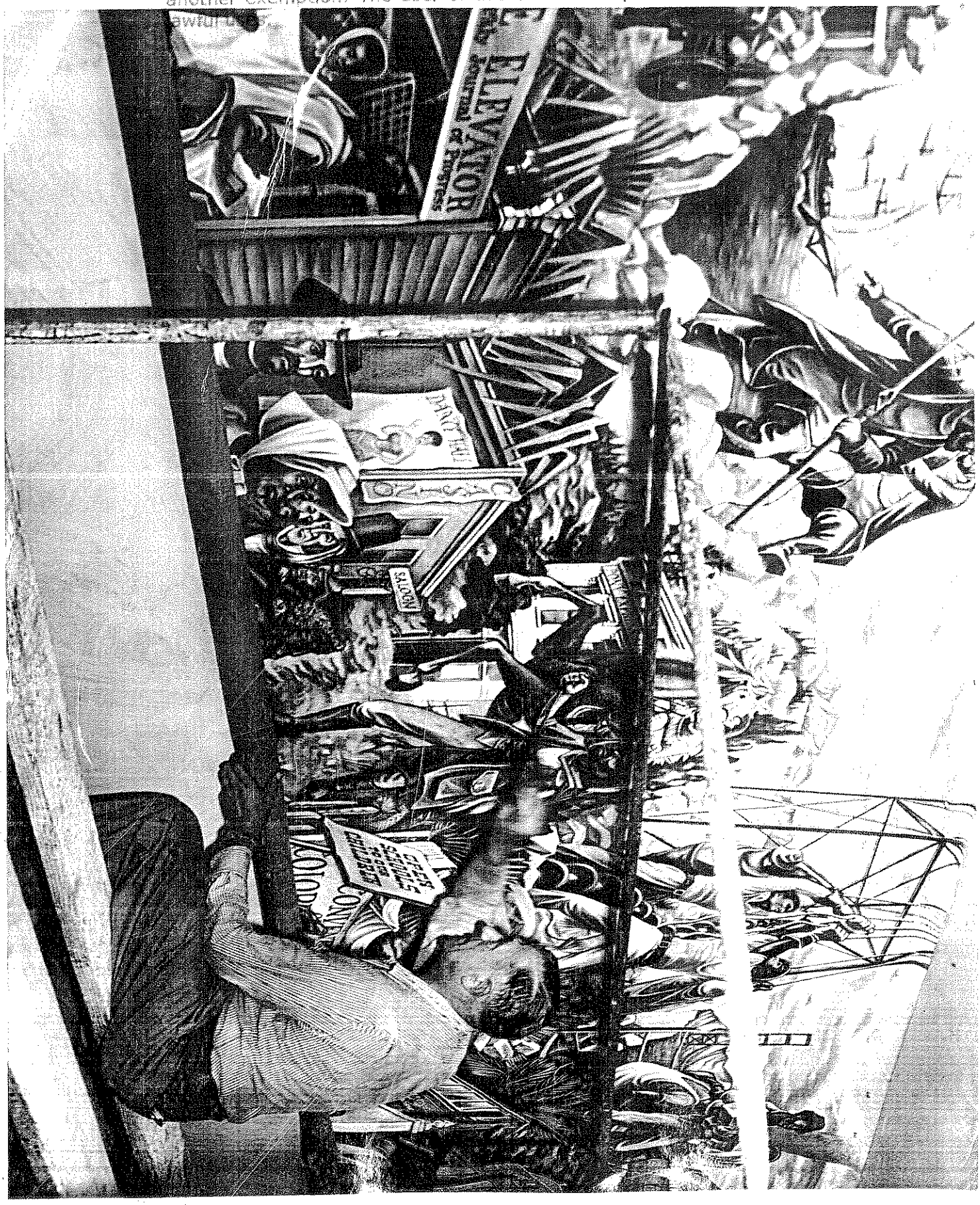

EXHIBIT 34

PAUL R. WILLIAMS, A. I. A.
ARCHITECT *and* CONSULTANT
THIRTY SEVEN FIFTY SEVEN WILSHIRE BOULEVARD LOS ANGELES 5
TELEPHONE DREXEL 4381

June 13, 1949

Messrs.
Charles Alston &
Hale Woodruff,
New York, N.Y.

Re: Murals
Golden State Life Ins. Bldg.

Gentlemen:

Please be advised that we have received an estimate from Mr. Erwin Neumann regarding the hanging of your murals for the abovementioned project. His figure is approximatly One Hundred Fifty ($150) Dollars for said installation.

Very truly yours,

OFFICE OF PAUL R. WILLIAMS

By Tanya Givens,
Secretary to Mr. Williams

CC/ Mr. George Beavers

The work from which this copy was made did not include a formal copyright notice. This work may be protected under U.S. Copyright Law (Title 17, U.S. Code), which governs reproduction, distribution, public display, and certain other uses of protected works. Uses may be allowed with permission from the rightsholder, or if the copyright on the work has expired, or if the use is "fair use" or within another exemption. The user of this work is responsible for determining lawful uses.

MR. BEAVERS

REPORT OF TELEPHONE CONVERSATION
WITH
ALSTON AND WOODRUFF
6/21/49

RE: Murals

In a telephone conversation with Mr. Houston, Messrs Woodruff and Alston stated they understood the murals were to be shipped the first week in July and that they could be ready at that time, but due to the heat and humidity the paints were slow in drying; that the job would be better if paints were allowed to dry; that they could spend some additional time on touching up and refinements, which would make the job look better.

They further stated that they had talked with the shipping firm that specializes in the shipping of art and the murals will be rolled on big drums. It will take 5 days for transportation to Los Angeles.

They feel the murals can be erected in about 1 day each, with an additional day for molding, etc.

While on the telephone, communication was established with Paul R. Williams, architect, who stated they would not be ready for the murals before July 25. Switching back to the artists it was agreed then that they would be shipped not later than July 18, to arrive in Los Angeles before the 25th.

They further stated that the payment was due in accordance with the contract. Further, that they had been approached by Life Magazine, New York Post, etc., regarding publicity on the murals. At this time Mrs. Hickman covered the public relations phase in accordance with the attached memo.

Conversation closed with the assurance that the pictures would be shipped in accordance with the above agreement.

NON:mc

The work from which this copy was made did not include a formal copyright notice. This work may be protected under U.S. Copyright Law (Title 17, U.S. Code), which governs reproduction, distribution, public display, and certain other uses of protected works. Uses may be allowed with permission from the rightsholder, or if the copyright on the work has expired, or if the use is "fair use" or within another exemption. The user of this work is responsible for determining lawful uses.