The following memorandum provides the seven (7) board members (“Board Members”) of the Oversight Board (“Oversight Board”) of the CRA/LA, a Designated Local Authority and Successor Agency to the Community Redevelopment Agency of the City of Los Angeles (“Successor Agency”) with pertinent information in order for each Board Member to make an informed decision on the matters before the Oversight Board.

**Agenda Item No.: 4**

**Subject:** Sale to amend and terminate a non-interest bearing loan maturing in 2033 to Grand Central Square, LP (“Borrower”).

**Request by Successor Agency:** The Successor Agency requests that the Oversight Board approve the sale of a $24,070,283 non-interest bearing loan maturing in 2033 (No. 872074) (“Loan”) to Borrower for $7,800,000 in immediately available funds.

**Legislative Authority of the Oversight Board:**


2. California Health and Safety Code Section 34177(h): The Successor Agency must expeditiously wind down the affairs of the former redevelopment agency in accordance with the direction of the Oversight Board.

3. California Health and Safety Code Section 34181(e): The Oversight Board may determine whether the Successor Agency should terminate or amend any contracts, agreements or other arrangements to reduce liabilities and increase net revenues to the taxing entities upon a finding that such termination or amendment is in the best interests of the taxing entities.

**Application:** As detailed in the Successor Agency Governing Board memorandum included with your packet, the former redevelopment agency made a number of
pre-development and permanent loans to the Borrower starting in 1990, which enabled the Borrower to develop the Grand Central Square, a mixed-use project involving three iconic buildings for residential, office, and commercial uses. These loans were consolidated and restructured in 2003. The principal balance of the non-interest bearing Loan is $24,070,283, due as a lump sum in 2033, with no interim payment obligations. The Loan is secured by a third priority deed of trust, behind two deeds of trust in favor of the Metropolitan Transportation Authority (“Metro”) totaling approximately $44,800,000. Thus, the total indebtedness on the Property is approximately $69,000,000.

Successor Agency staff reports that the project has underperformed, and that Borrower has had difficulties making debt service payments on the Metro notes, notwithstanding improved performance recently. Metro has forborne initiating foreclosure to date, but any foreclosure would eliminate the Successor Agency’s Loan.

The Successor Agency Governing Board memorandum sets forth additional details and background regarding the Borrower, its financial condition, and alternatives analyzed by Successor Agency staff. Staff recently commissioned an independent analysis of the value of the Loan to a hypothetical third-party investor that projected the net present value of the project at $46,200,000, and concluded that, optimistically, the Successor Agency could expect to recover not more than $1,300,000 from the Loan. More likely, the Loan would be worthless because the project could not support sufficient debt to cover the senior Metro debt.

The Oversight Board has the obligation to direct the Successor Agency to expeditiously wind down the affairs and operations of the former redevelopment agency. (Section 34177(h).) This winding down process includes the right to direct the Successor Agency to terminate or amend agreements to reduce liabilities and increase net revenues to the taxing entities upon a finding by the Oversight Board that such termination or amendment is in the best interest of the taxing entities. (Section 34181(e).)

Successor Agency staff recommends the proposed action since it will reduce liabilities and increase net revenues to the taxing entities. Sale of the Loan to the Borrower as proposed will effectively amend and terminate the Loan, reducing liabilities for administering the Loan for 17 more years and realizing net revenues in excess of the projected revenues of a sale to a third-party investor. The Oversight Board must determine whether, under current circumstances, the proposed sale to amend and terminate the Loan is in the best interest of the affected taxing entities.

END OF MEMO
RESOLUTION NO. OB ____

A RESOLUTION OF THE OVERSIGHT BOARD OF THE
CRA/LA, A DESIGNATED LOCAL AUTHORITY AND
SUCCESSOR AGENCY TO THE COMMUNITY
REDEVELOPMENT AGENCY OF THE CITY OF LOS
ANGELES, AUTHORIZING THE SUCCESSOR AGENCY TO
EXECUTE A LOAN SALE AGREEMENT WITH GRAND
CENTRAL SQUARE LIMITED PARTNERSHIP

WHEREAS, the CRA/LA, a Designated Local Authority, was formed in accordance with
California Health and Safety Code Section 34173(d)(3) as the Successor Agency to the Community
Redevelopment Agency of the City of Los Angeles (“Successor Agency”); and

WHEREAS, the Oversight Board (“Oversight Board”) of the Successor Agency was
established pursuant to California Health and Safety Code Section 34179; and

WHEREAS, California Health and Safety Code Section 34181(e) provides the Oversight
Board directive authority to determine whether the Successor Agency should terminate or amend any
contracts, agreements or other arrangements if such termination or amendment will result in the
reduction of liabilities and increase revenues to the taxing entities and the Oversight Board finds the
termination or amendment is in the best interests of the affected taxing entities; and

WHEREAS, Grand Central Square Limited Partnership (“Grand Central”) obtained various
predevelopment and permanent loans in 1990 for Grand Central’s development of Grand Central
Square, a mixed-use project. The various loans were consolidated in 2003 and the current principal
balance owed to the Successor Agency is $24,070,283.00, with a maturity date of 2033 (the “Loan”);
and

WHEREAS, the Loan is subordinated and junior to two other loans secured by two deeds of
trust in favor of Metropolitan Transportation Authority (“Metro”), totaling approximately $44,800,000;
and

WHEREAS, the total indebtedness of the secured by the underlying property of the project is
approximately $69,000,000.00; and

WHEREAS, the project has underperformed and Grand Central has experienced difficulties
making debt service payments on the Metro loans, thus affecting the likelihood of full payment of the
Loan; and

WHEREAS, Grand Central and the Successor Agency have proposed the sale (and effective
amendment and termination) of the Loan pursuant to a Loan Sale Agreement (“Agreement”), a copy of
which has been made available to the Oversight Board for inspection and is attached hereto as
Exhibit A; and

WHEREAS, the Oversight Board has determined that the Agreement will effectively
amend and terminate the Loan thus reducing liabilities and increasing net revenues to the taxing
entities in accordance with California Health and Safety Code Section 34181(e) and is consistent
with the obligation of the Successor Agency to wind down the affairs of the Former Agency in
accordance with California Health and Safety Code Section 34177(h);
WHEREAS, in accordance with California Health and Safety Code Section 34181(e), the Oversight Board has determined that the Agreement is in the best interest of the taxing entities; and

WHEREAS, California Health and Safety Code Section 34179(e) requires the Oversight Board to adopt resolutions for any action taken by the Oversight Board.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board as follows:

Section 1. Approval of Agreement. The Oversight Board hereby finds that the Agreement will reduce liabilities and increase net revenues and is in the best interest of the taxing entities and hereby authorizes the Successor Agency to enter into the Agreement in substantially the form made available to the Oversight Board for inspection in satisfaction of the Loan.

Section 2. Authorization of Successor Agency. Upon approval of this resolution (“Resolution”) by the California Department of Finance, the Oversight Board authorizes and directs the Chief Executive Officer of the Successor Agency to negotiate, execute, deliver and/or acknowledge any other documents necessary to comply with the authority granted by this Resolution.

Section 3. Delivery to the California Department of Finance. The Oversight Board hereby authorizes and directs the Secretary of the Oversight Board to electronically deliver a copy of this Resolution to the California Department of Finance in accordance with California Health and Safety Code Section 34179(h).

Section 4. Other Actions. The Oversight Board hereby authorizes and directs the Chairman, Vice-Chairman and/or Secretary of the Oversight Board, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to effectuate the purposes of this Resolution, and such actions previously taken by such officers are hereby ratified and confirmed.

Section 5. Effect. This Resolution shall take effect upon approval of the California Department of Finance in accordance with California Health and Safety Code Section 34179(h).
PASSED, APPROVED AND ADOPTED by the Oversight Board at a duly noticed meeting of the Oversight Board held on August 11, 2016, by the following vote:

Ayes: ____________________________
Noes: ____________________________
Absent: __________________________
Abstain: __________________________

By: ______________________________________
Richard Close, Chairman
Oversight Board of the CRA/LA,
A Designated Local Authority and Successor Agency to the
Community Redevelopment Agency of the City of Los Angeles

ATTEST:

______________________________
Steve Valenzuela, Secretary
Oversight Board of the CRA/LA,
A Designated Local Authority and Successor Agency to the
Community Redevelopment Agency of the City of Los Angeles

* * * * *

I hereby certify that the foregoing is a true and correct copy of the Resolution duly adopted by the Oversight Board of the CRA/LA, a Designated Local Authority and Successor Agency to the Community Redevelopment Agency of the City of Los Angeles, at a meeting of the Oversight Board duly called and held at 2:00 p.m. on the 11th day of August, 2016.

______________________________
Steve Valenzuela, Secretary
Oversight Board of the CRA/LA,
A Designated Local Authority and Successor Agency to the
Community Redevelopment Agency of the City of Los Angeles
RESOLUTION NO. OB ____

EXHIBIT A

LOAN SALE AGREEMENT

[ATTACHED BEHIND THIS PAGE]
CRA/LA, A DESIGNATED LOCAL AUTHORITY
(Successor Agency to the Community Redevelopment Agency of the City of Los Angeles, CA)

MEMORANDUM

DATE: AUGUST 4, 2016

TO: GOVERNING BOARD

FROM: STEVE VALENZUELA, CHIEF EXECUTIVE OFFICER

STAFF: BARRON MCCOY, CHIEF OPERATING OFFICER
NEELURA BELL, SPECIAL PROJECTS OFFICER

SUBJECT: GRAND CENTRAL SQUARE LOAN RECEIVABLE. Authorize the sale of the
$24 million deferred loan maturing in 2033 to the Grand Central Square L.P. for
$7.8 million.

RECOMMENDATION(S)

That the Governing Board, subject to Oversight Board approval, authorize the sale of the
approximate $24 million loan (No. 872074) maturing in 2033 to Grand Central Square, LP
(Borrower) for $7.8 million.

SUMMARY

The recommended action would resolve a loan receivable by providing for a certain payment
now. The action would also enable the Borrower to resolve senior obligations owing to the
Metropolitan Transportation Authority (Metro), and, by so doing, allow the Borrower to access
needed commercial financing to continue its redevelopment of the iconic Grand Central Market.

CRA/LA has a non-interest bearing Loan Receivable in the amount $24,070,283 that is due
from the Borrower in 2033. This receivable is derived from a number of predevelopment and
permanent loans which the Former Agency made to the Borrower starting in 1990 and the
subsequent consolidation and restructuring of the debt in 2003. CRA/LA’s financing was
derived from bond proceeds and was provided to support the development of Grand Central
Square, a mixed-use project that entailed the rehabilitation of three iconic buildings for
residential, office and commercial uses. The project consists of 121 residential units in two
separate buildings with a first floor market area containing multiple stalls and second story
offices in a third building. The funding provided by CRA/LA was for the purpose of making 61 of
the residential units affordable.

The CRA/LA loan is secured by a Deed of Trust in a 3rd lien position behind two Deeds of Trust
securing two promissory notes payable to Metro. The current balance of the Metro first note is
for $22.8 million (including accrued interest and fees). The balance on the second note is $22
million for a total of $44.8 million. Between January 2011 and July 2015, Metro agreed to an
interest accrual with no payment forbearance period. In July 2015, the Borrower began making
payments based on a forbearance agreement executed in October 2015; the forbearance
agreement expired on March 31, 2016. Metro entered into the forbearance agreement to
accept partial payments from the Borrower while allowing them time to explore options for
restructuring the project’s debt. Without a viable debt restructuring plan, Metro could initiate
foreclosure proceedings on its deed of trust and CRA/LA’s junior deed of trust would be
removed from title without payment. In an effort to reposition the project and stabilize its
financial operations, the Borrower has offered to acquire the CRA/LA and Metro loans at negotiated amounts. The Borrower has identified a commercial lender that is prepared to make a $32.5 million loan, an approximate 70% loan-to-value, for the purpose of enabling the Borrower to purchase the CRA/LA and Metro Notes. After deducting a 1% ($325,000) loan origination fee payable to the lender, there will be $32,175,000 in net loan proceeds to pay off CRA/LA and Metro. The Borrower has agreed to pay CRA/LA $7.8 million (representing approximately 32% of the CRA/LA Note Payable) and to pay Metro $24,375,000 (or 54% of its combined outstanding loan amounts).

Staff considered three options in arriving at this recommendation. One option is to wait until the loan matures in 2033 to collect the $24 million due. However, staff determined that it was unlikely that the project would survive without the debt restructuring and the likelihood of any payment in the future was extremely low. Another option is to sell the note to a third party investor. To understand what an investor might pay today for the right to collect $24 million in the future, an analysis conducted by an independent consultant retained by CRA/LA concluded that, under the most optimistic circumstances, this option would yield approximately $1 million. The third option is the proposed compromise payoff amount. The Borrower has secured a funding commitment from a commercial lender that will allow it to settle its obligations to Metro and the CRA/LA. The Borrower’s offer to pay $7.8 million now (a recovery of 32% of the amount owed) is the best option to realize the highest net proceeds for distribution to the ATEs. Staff believes that this option meets the requirements of H&SC section 34181(e) to reduce liabilities and increase net revenues to the taxing entities.

PREVIOUS

June 13, 2014 and June 30, 2014 – the CRA/LA Governing and Oversight Boards respectively, authorized the transfer of the Loan Receivable as a housing asset to the City of Los Angeles Housing & Community Investment Department (HCID). In October 2014, the Department of Finance (DOF) determined that the loan was not a housing asset and denied the transfer. CRA/LA engaged with DOF in an extensive review which culminated in March 2016 with DOF reaffirming its earlier determination that the loan was not a housing asset.

DISCUSSION & BACKGROUND

The Grand Central Square project is located on the northerly half-block bounded by Broadway, Hill, Third and Fourth Streets. It is a mixed-use development that entailed the rehabilitation of three iconic buildings for residential, office and commercial uses. The project consists of 121 residential one-bedroom units (60 market and 61 affordable) in two separate buildings with a first floor market area containing the historic Grand Central Market, 30,000 square feet of second story offices, and a 500-space parking garage.

In 1990 the Former Agency entered into an Owner Participation Agreement (OPA) with the Borrower and made two predevelopment loans. Through an amendment of the OPA in 1993 the Former Agency increased the predevelopment loan amounts and issued $22,335,000 in multifamily housing bonds, and $21,665,000 in qualified redevelopment bonds. The Agreements provided for CRA to assume the obligation to make debt service payments on behalf of the Borrower for 57.67% or $12,880,595 of the housing bond amount, with the Metro responsible for the remaining payments for 42.33% or $9,454,405. Metro assumed 100% of the obligation for the debt service payments for the qualified redevelopment bonds. In addition, the Former Agency also provided $3 million in tax increment funding to establish a Reserve Account. The Agreement required the Borrower to reimburse Former Agency and Metro for debt service payments and any draws made against the Reserve.
Over time, the Borrower failed to make required reimbursement payments to the Former Agency and Metro resulting in Metro declaring defaults in 1998 and again in 2002. The defaults were resolved by entering into Master Modification and Master Debt Restructuring Agreements in 2003. The Restructuring Agreement cancelled the Former Agency’s Reimbursement Agreement and replaced it with a Promissory Note for $24,070,282.73. CRA/LA’s restructured loan bears no interest and is payable in full in 2033. The Metro Promissory Notes from the restructuring were in the original principal amounts of $19 million and $22 million and require debt service payments.

Due to the underperformance of the Grand Central Market, the Borrower has had difficulty making the required debt service payments to Metro, and in 2011 stopped making them. In 2015 the Borrower worked out a forbearance agreement and started making partial payments to Metro. For the past few years, the Borrower has undertaken efforts to reposition the property by making significant capital investments for physical improvements and a repositioning strategy designed to attract new and stronger tenants. Concurrently, in order to have more manageable debt service payment obligations, the Borrower has also attempted to identify financing to restructure the $69 million in total indebtedness of the combined CRA/LA and Metro notes.

The Borrower’s efforts to improve the tenancy have resulted in increased net operating income from $1,070,000 in 2013 to a projected $2,730,000 in 2016, representing a 155% increase. While the additional cash flow has enabled the Borrower to partially meet its obligations to Metro, the cash flow is still insufficient to fully service the two Metro notes. The property’s value is significantly less than the $69 million in debt. The Borrower has identified a private lender that is willing to provide the Borrower with financing that represents approximately 70% of the project’s current capitalized value. The Borrower is proposing to use these proceeds to acquire the outstanding CRA/LA and Metro loans at less than par value.

**SOURCE OF FUNDS**

No funds are required for the recommended action.

**ROPS AND ADMINISTRATIVE BUDGET IMPACT**

The requested action has no impact on the ROPS. It will reduce the administrative costs associated with monitoring and reporting on the Loan Receivable.

The Grand Central Square Multifamily Housing 2007 Series A Bonds, $11,345,000, is among the bonds that will be refunded in the 2016 Bond Refunding. The 2007 Series A bonds total outstanding par amount is $8,115,000 and NPV savings is estimated to be $256,000 over the life of the bonds.

**ENVIRONMENTAL REVIEW**

The proposed action is not a “project” within the meaning of the California Environmental Quality Act (“CEQA”), as specifically provided in the CEQA Guidelines section 15738(b)(4), and thus not subject to CEQA pursuant to the CEQA Guidelines section 15060(c)(3).
Steve Valenzuela  
Chief Executive Officer

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

ATTACHMENT

Loan Sale Agreement
LOAN SALE AGREEMENT

THIS LOAN SALE AGREEMENT (this “Agreement”) is entered into this 27th day of July, 2016 (the “Effective Date”), by and between CRA/LA, a Designated Local Authority successor to The Community Redevelopment Agency of the City of Los Angeles (“Seller”), having a place of business at 448 South Hill Street, Suite 1200, Los Angeles, CA 90013 and GRAND CENTRAL SQUARE LIMITED PARTNERSHIP, a California limited partnership (together with its assignees or designees “Purchaser”), having a place of business c/o The Yellin Company, LLC, 304 South Broadway, Suite 525, Los Angeles, California 90013.

WHEREAS, Seller desires to sell, assign, transfer and otherwise convey its right, title and interest in, to and under that certain loan evidenced by the Promissory Note referenced as Item 1 on Exhibit “A” (the “Loan”) to Purchaser and Purchaser desires to purchase Seller’s right, title and interest in, to and under the Loan;

Unless otherwise defined, all capitalized terms contained in this Agreement have the meanings set out in Section 26 below.

NOW THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Section 1. Agreement to Purchase and Sell. Subject to and in accordance with the terms and conditions of this Agreement, Seller hereby agrees to sell, assign, transfer and otherwise convey to Purchaser on the Closing Date, and Purchaser hereby agrees to purchase and accept and assume all right, title and interest of Seller, together with all payment and performance obligations of Seller, to and under the Loan as of the Closing Date, without recourse, representation or warranty (except as expressly set forth in this Agreement). This Section 1 shall survive the Closing.

Section 2. Purchase Price; Closing.

(a) Closing Date. The date of the consummation of the transaction contemplated by this Agreement (the “Closing”) shall occur on a date selected by Purchaser by written notice to Seller (such date, the “Target Closing Date”); provided, however, that such date shall be on a Business Day that shall be no less than five (5) Business Days following delivery of such written notice to Seller and shall occur, if at all, no earlier than five (5) Business Days following Seller’s receipt of all Approvals (as hereinafter defined) and no later than December 1, 2016 (the “Outside Closing Date”). The actual date that the Closing occurs shall be the “Closing Date.”

(b) Purchase Price. On the Closing Date, Purchaser shall pay to an account designated by Seller by wire transfer in immediately available funds in lawful currency of the United States, an amount equal to the Purchase Price (as defined herein). There shall be no other proration or change to the Purchase Price, other than to account for the payment of amounts by Purchaser and/or Seller as expressly provided for herein.

(c) Deposit. No later than two (2) Business Days following the execution of this Agreement (the “Execution Date”), Purchaser shall pay to Commonwealth Land Title Insurance Company, Attn: Sara Soudani (“Escrow Agent”), by wire transfer in immediately available funds in lawful currency of the United States, an amount equal to Twenty-Five Thousand and
No/100 Dollars ($25,000.00) (together with interest accrued thereon, the “Deposit”). The Deposit shall be held in an interest bearing account, and all interest thereon shall be paid to the party entitled to the Deposit. If the sale of the Loan as contemplated hereunder is consummated, then the Deposit shall be paid by Escrow Agent to Seller on the Closing Date and credited against Purchaser’s payment of the Purchase Price. If each of the conditions to closing set forth in this Agreement, including, but not limited to, the conditions set forth in Section 8(d) hereof, is not met by the Outside Closing Date (unless otherwise waived by the party benefitting from such conditions), other than as a result of a breach or default by Seller or Purchaser hereunder, then this Agreement shall terminate and be of no further force and effect except for those obligations which expressly survive the termination of this Agreement, and the Deposit shall be promptly returned to Purchaser.

(d) **Taxes, Fees, Costs, Etc.** Purchaser shall pay all transfer, filing and recording fees, title insurance costs, escrow agent expenses, taxes, all applicable mortgage recording taxes, and all applicable documentary transfer, stamp and similar taxes, required to be paid in connection with the transaction contemplated hereby. This Section shall not require Purchaser to pay any of Seller’s other costs not listed above, including, without limitation any taxes, costs or expenses related to Seller’s income tax obligations occasioned by the sale of the Loan. Except as otherwise expressly provided herein, whether or not the transaction contemplated hereunder is completed, Seller shall be solely responsible for all costs and expenses incurred by Seller in connection with the transaction contemplated hereunder, including, without limitation, Seller’s attorneys’ fees and expenses. The provisions of this paragraph shall survive Closing.

(e) **Release of Seller.** Except as otherwise expressly provided herein, including, without limitation, the express representations, warranties and covenants of Seller contained in Section 3 of this Agreement, Purchaser, on its own behalf and on behalf of its Affiliates or any Person that comprises or is an officer, director, direct or indirect constituent member, employee, agent, shareholder, partner or direct or indirect owner of any such Person or any Affiliate thereof, or any representative which controls, is controlled by or is under common control with any of the foregoing (each a “Purchaser Party” or together, the “Purchaser Parties”), hereby releases and forever discharges, effective only from and after the Closing, Seller and its Affiliates and any Person that comprises or is an officer, director, including Seller’s Governing Board and Oversight Board, constituent direct or indirect member, employee, agent, shareholder, direct or indirect partner or direct or indirect owner of Seller or its Affiliates, or any representative which controls any such Person (together, the “Seller Parties” or each individually, a “Seller Party”), from any and all causes of action, liabilities, losses, damages, claims, demands and remedies of whatsoever kind or nature, whether known or unknown, that any Purchaser Party now has, or may in the future have, against such Seller Party in any manner on account of, to the extent arising out of or in any way related to the Loan, the Property (including without limitation the condition of, or any other matter associated with, the Property or the operation thereof) or the sale of the Loan pursuant to this Agreement. Without limiting the generality of the foregoing, as of the Closing, Purchaser fully assumes and, on behalf of Purchaser and all Purchaser Parties, releases each Seller Party from all environmental risks, claims, causes of action, losses, damages, remedies and liabilities associated with the Loan and the Property. Purchaser acknowledges that Seller would not enter into this Agreement without the release by Purchaser, on its own behalf and on behalf of the Purchaser Parties, in this Section 2(e).

California Civil Code Section 1542 provides as follows:
A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

Purchaser acknowledges that it has read, is familiar with, and waives the provisions of California Civil Code Section 1542 set forth above. The provisions of this Section 2(e) shall survive Closing. Notwithstanding the foregoing release, Seller does not release Purchaser from any of its obligations or duties under that Amendment to Agreement Containing Covenants Affecting Real Property (Grand Central Square) dated as of December 15, 1992 and recorded in the Official Records in the Office of the County Recorder for the County of the Los Angeles on December 16, 1992 as Instrument No. 92-2365209.

(f) Purchaser's Assumption Irrevocable. Purchaser acknowledges and agrees that except as otherwise set forth in this Agreement, including, without limitation, the express representations, warranties and covenants of Seller contained in Section 3 of this Agreement, (i) Seller's sale of the Loan to Purchaser, and Purchaser's assumption of the obligations under the Loan, are irrevocable, (ii) Purchaser shall have no recourse to Seller, and (iii) Seller has no obligations with respect to the Loan or under this Agreement which survive Closing. The provisions of this paragraph shall survive Closing.

(g) Payments Belonging to Seller or Purchaser. Any payment with respect to the Loan received by Seller prior to the Closing shall belong to Seller. Notwithstanding the foregoing or whether any such payment received by Purchaser does or may relate to any period prior to the Closing, Purchaser shall be entitled to all payments of principal and interest on the Loan (whether attributable to any payment schedule, prepayment, if any, or otherwise) made on or after the Closing. If and to the extent any such payments are received by Seller on or after the Closing, Seller will remit such payments to Purchaser promptly on receipt. The provisions of this Section 2(g) shall survive Closing.

(h) Treatment As Sale. At the Closing, the ownership of Seller’s interest in the Loan will be transferred to and vested in Purchaser as provided in the Sale Documents. Seller’s records will reflect the transfer of the Loan to Purchaser as a sale and the transfer of the Loan shall be treated for all purposes, including without limitation, financial accounting and federal tax purposes, as a purchase of the Loan by Purchaser and shall be reflected on Purchaser’s books and records, tax returns and financial statements as a purchase by Purchaser of the Loan. The provisions of this Section 2(h) shall survive Closing.

Section 3. Representations and Warranties of Seller. Seller represents and warrants to Purchaser as of the Effective Date, which representations and warranties shall be deemed remade in their entirety as of the Closing, that:

(a) Organization, Existence, Qualification. Seller is a duly formed or organized, and validly existing California public agency.

(b) Authority and Enforceability. Subject to obtaining the Approvals set forth in Section 8(d)(i) of this Agreement, Seller has the power and authority and legal right to make, own and convey the Loan to Purchaser and execute, deliver and perform this Agreement and each of the other Sale Documents to which it is a party and has, or by the Closing will have,
taken all necessary action to authorize such execution, delivery and performance of such Sale Documents. Effective as of the Closing with respect to this Agreement and all obligations of Seller hereunder, and as of the Closing, with respect to all of the other Sale Documents and all obligations of Seller hereunder, all obligations of Seller are, and shall be, legal, valid and binding obligations of Seller, enforceable in accordance with the terms of the Sale Documents, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other laws affecting the enforcement of creditors’ rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). The Security Instrument and the Assignment of Contracts are freely assignable without the consent of any party other than Seller.

(c) **Conflict with Existing Laws or Contracts.** The execution and delivery of the Sale Documents and the performance by Seller of its obligations thereunder will not conflict with or be a breach of any provision of any law, regulation, judgment, order, decree, writ, injunction, contract, agreement or instrument to which Seller is subject. Subject to the Approvals contained in Section 8(d)(i) of this Agreement, no consent, approval, authorization or order of, registration or filing with, or notice to, any governmental authority, court or other Person, is required, under any agreement or federal or state law, for the execution, delivery and performance of or compliance by Seller with this Agreement, or the consummation by Seller of any transaction contemplated hereby other than (i) the filing or recording of instruments of assignment and other similar documents necessary in connection with Seller’s sale of the Loan to Purchaser, (ii) such consents, approval, authorizations, qualifications, registrations, filings or notices as have been obtained or made or which shall have been obtained or made as of the Closing, and (iii) where the lack of such consent, approval, authorization, qualification, registration, filing or notice would not have a material adverse effect on the performance by Seller under this Agreement.

(d) **No Previous Sales.** Seller is the sole owner and holder of the Loan, the Loan is not subject to any assignment, participation or pledge, and Seller has not previously sold or assigned the Loan or the related security interests.

(e) **Loan Documents.** Exhibit “A” attached hereto lists all material Loan Documents to which Seller has knowledge; provided, however, that Purchaser represents that it has received an independent acknowledgment from Borrower as to the accuracy of the foregoing matters set forth in this paragraph, and Purchaser agrees that no inaccuracy with respect to the matters set forth in this paragraph shall constitute a breach or default by Seller under this Agreement, impose any liability upon Seller, nor constitute a failure of a condition to the Closing.

(f) **Title Policy.** Seller has not (x) previously made any claim or (y) received any payment, in each case, under the Title Policy.

(g) **Litigation Involving Seller.** Seller has not received written notice of any unresolved actions or proceedings against, or investigations of, Seller pending before any court, administrative agency or other tribunal that could reasonably be expected to materially and adversely affect Seller’s ability to consummate the transaction contemplated by this Agreement.

(h) **No Broker.** Seller has not dealt with any third party broker, investment banker, agent or other person, who is entitled to any commission or similar compensation in connection with the sale of the Loan.
(i) **Ordinary Course of Business.** The Loan is a whole loan and not participation interests in any Loan. The sale of the Loan to Purchaser hereunder is not a bulk sale of all or substantially all of the assets of Seller.

(j) **Mortgage Loan Schedule.** Seller makes no representations or warranties regarding the accuracy of the information set forth on the Mortgage Loan Schedule attached hereto as Exhibit “G” and Purchaser has complete responsibility to confirm the accuracy or inaccuracy of any such matters with Borrower.

(k) **Non-crossed.** The Loan is not cross-collateralized or cross-defaulted with any other loan from Seller to Borrower.

(l) **No Condemnation.** As of the Effective Date, Seller has not received any written notice of any proceeding pending or threatened for the total or partial condemnation of the Property that would have a material adverse effect on the value, use or operation of the Property. Notwithstanding any contrary provision hereof, a change in the matters set forth in this paragraph between the Effective Date and the Closing shall not constitute a breach of this paragraph or the failure of a condition to the Closing.

(m) **No Defaults.** Seller makes no representation or warranty as to the status of the performance of Borrower’s obligations under the Loan, including without limitation, whether (a) there exists any material default, breach, violation or event of acceleration existing under the Loan, or (b) any event has occurred which would constitute a material default, breach, violation or event of acceleration, regardless of whether such default, breach, violation or event of acceleration, in the case of either (a) or (b), might materially and adversely affect the value of the Loan or the value, use or operation of the Property.

(n) **Intentionally Blank.**

(o) **No Reliance.** In entering into this Agreement and the other Sale Documents, Seller has not relied upon any oral or written information from any Purchaser Party, other than the express representations and warranties of Purchaser contained in this Agreement or the Sale Documents. Seller further acknowledges that no Purchaser Party has been authorized to make, and that Seller has not relied upon, any statements, representations or warranties other than those expressly made by Purchaser contained in this Agreement or the Sale Documents.

The representations and warranties of Seller in Section 3 (a), (b), (c), (d), (h), (j), (m) and (o) shall survive Closing without limitation. The representations and warranties of Seller in the other subsections of Section 3 (i.e., those not referenced in the previous sentence) shall survive Closing, for the Survival Period and from and after such time shall be of no further force or effect.

**Section 4. Representations and Warranties of Purchaser.** Purchaser represents and warrants to Seller as of the Effective Date, which representations and warranties shall be deemed remade in their entirety as of the Closing, that:

(a) **Organization, Existence, Qualification.** Purchaser is duly formed or organized, validly existing and in good standing under the laws of the jurisdiction of its formation or organization, and is registered or qualified to conduct business in all other jurisdictions in which the failure to be so registered or qualified would materially and adversely affect the ability of Purchaser to perform its obligations hereunder.
(b) **Authority and Enforceability.** Purchaser has the power, authority and legal right to execute, deliver and perform this Agreement and each of the other Sale Documents to which it is a party and has, or by the Closing will have, taken all necessary action to authorize such execution, delivery and performance of such Sale Documents. Effective as of the Closing, Purchaser has the power and authority to execute, deliver and perform each of the Sale Documents to which it is a party and has taken all necessary action to authorize such execution, delivery and performance. Effective as of the Closing, Purchaser’s execution of this Agreement and its performance of its obligations hereunder are not subject to any further approval, vote or contingency from any Person. Effective as of the Closing, the Sale Documents executed by Purchaser and all obligations of Purchaser thereunder are the legal, valid and binding obligations of Purchaser, enforceable in accordance with the terms of the Sale Documents, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other laws affecting the enforcement of creditors’ rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(c) **Conflict with Existing Laws or Contracts.** The execution and delivery of the Sale Documents executed by Purchaser and the performance by Purchaser of its obligations thereunder will not conflict with or be a breach of any provision of any law, regulation, judgment, order, decree, writ, injunction, contract, agreement or instrument to which Purchaser is subject; and Purchaser has obtained any consent, approval, authorization or order of any court or governmental agency or body required for the execution, delivery and performance by Purchaser of the Sale Documents.

(d) **No Reliance.** In entering into this Agreement and the other Sale Documents, Purchaser has not relied upon any oral or written information from any Seller Party, other than the express representations and warranties of Seller contained in Section 3 of this Agreement. Purchaser further acknowledges that no Seller Party has been authorized to make, and that Purchaser has not relied upon, any statements, representations or warranties other than those expressly made by Seller contained in Section 3 of this Agreement.

(e) **Purchaser a Sophisticated Investor.** Purchaser is a sophisticated investor (as that term is used in regulations promulgated under the Securities Act of 1933) who could withstand the loss of the entire Purchase Price and is otherwise able to bear the economic risk associated with the purchase of the Loan and the assumption of the obligations of Seller thereunder.

(f) **Purchaser an Accredited Investor.** Purchaser is an “accredited investor”, as that term is defined by the Securities Act of 1933, as amended. Purchaser has such knowledge and experience in financial and business matters, relating to the ownership and collection of loans comparable to the Loan, that it is capable of evaluating the merits and risks of an investment in the Loan.

(g) **Prohibited Persons.** Neither Purchaser nor any Purchaser Party is or will be an entity or person (i) that is listed in the Annex to, or is otherwise subject to the provisions of EO13224, (ii) whose name appears on OFAC’s most current list of “Specifically Designated National and Blocked Persons” (which list may be published from time to time in various mediums including, but not limited to, the OFAC website, http://www.treas.gov/ofac/t11sdn.pdf), (iii) who commits, threatens to commit or supports “terrorism”, as that term is defined in EO13224, (iv) is subject to sanctions of the United States government or is in violation of any
federal, state, municipal or local laws, statutes, codes, ordinances, orders, decrees, rules or regulations relating to terrorism or money laundering, including, without limitation, EO13224 and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, or (v) who is otherwise affiliated with any entity or person listed above.

(h) **No Broker.** Purchaser has not dealt with any third party broker, investment banker, agent or other person, who may be entitled to any commission or compensation in connection with its purchase of the Loan or the consummation of any other actions contemplated hereby.

The provisions of this Section 4 shall survive Closing without limitation.

**Section 5. “As Is, Where Is” Nature of Purchase.** Purchaser does hereby acknowledge, represent, warrant and agree to and with Seller that, (i) Purchaser is expressly purchasing the Loan in its existing condition “AS IS, WHERE IS, AND WITH ALL FAULTS” with respect to all facts, circumstances, conditions and defects, including without limitation, all matters or conditions relating to or affecting the Property, and all existing defaults under the Loan; and (ii) Seller has specifically bargained for the assumption by Purchaser of all risk of adverse conditions with respect to the Loan and has structured the Purchase Price and other terms of this Agreement in consideration thereof. Purchaser’s decision to purchase the Loan is based upon its own comprehensive review and independent expert evaluation and analysis of the Loan Documents and other materials deemed relevant by Purchaser and its agents. Purchaser has made such independent investigation as Purchaser deems to be warranted into the nature, title, attachment, perfection, priority, validity, enforceability, collectability, and value of the Loan, the title, condition and value of any collateral securing the Loan, the market conditions and other characteristics of the places where any such collateral is located, and all other facts it deems material to the purchase of the Loan. WITHOUT LIMITING THE FOREGOING, PURCHASER ACKNOWLEDGES THAT, EXCEPT AS SET FORTH IN SECTION 3 OF THIS AGREEMENT AND THE SALE DOCUMENTS, SELLER HAS MADE NO REPRESENTATIONS OR WARRANTIES AS TO THE LOAN OR THE PROPERTY (INCLUDING WITHOUT LIMITATION, THE VALUE, MARKETABILITY, CONDITION OR FUTURE PERFORMANCE THEREOF, THE EXISTENCE OF LEASES OR THE STATUS OF ANY TENANCIES OR OCCUPANCIES WITH RESPECT THERETO, THE APPLICABILITY OF ANY RENT CONTROL OR RENT STABILIZATION LAWS OR THE COMPLIANCE OR LACK OF COMPLIANCE THEREOF WITH ANY LAWS (INCLUDING WITHOUT LIMITATION, ENVIRONMENTAL, LAND USE OR OCCUPANCY LAWS)). EXCEPT TO THE EXTENT EXPRESSLY SET FORTH IN SECTION 3 OF THIS AGREEMENT OR THE SALE DOCUMENTS, THE SALE OF THE LOAN TO PURCHASER UNDER THIS AGREEMENT SHALL BE WITHOUT RECOURSE, AND WITHOUT REPRESENTATION OR WARRANTY OF ANY NATURE BY ANY SELLER PARTY, AND PURCHASER ACKNOWLEDGES AND AGREES THAT, EXCEPT TO THE EXTENT EXPRESSLY SET FORTH IN SECTION 3 OF THIS AGREEMENT OR THE SALE DOCUMENTS, NO SELLER PARTY HAS MADE, OR DOES MAKE, AND SPECIFICALLY DISCLAIMS, AND PURCHASER IS NOT RELYING ON ANY SELLER PARTY WITH RESPECT TO, ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE,
OF, AS TO, CONCERNING OR WITH RESPECT TO: (A) THE LOAN OR THE PROPERTY, (B) THE MARKETABILITY, VALUE, QUALITY OR CONDITION OF THE LOAN OR THE PROPERTY; (C) THE VALIDITY, ENFORCEABILITY, OR COLLECTABILITY OF THE LOAN OR ANY OF THE LOAN DOCUMENTS; (D) THE VALIDITY, PRIORITY, OR PERFECTION OF ANY LIENS CREATED BY THE LOAN DOCUMENTS; (E) THE STATE OF TITLE, PRIORITY OF LIENS, ZONING, TAX CONSEQUENCES, PHYSICAL CONDITION, UTILITY CAPACITY OR COMMITMENT FOR UTILITY CAPACITY, OPERATING HISTORY OR PROJECTIONS, VALUATIONS, GOVERNMENTAL APPROVALS OR GOVERNMENTAL REGULATIONS, COMPLIANCE WITH SPECIFICATIONS, LOCATION, EXISTENCE OF OR COMPLIANCE BY ANY OF THE PROPERTY WITH ANY FRANCHISE, MANAGEMENT OR OPERATING AGREEMENT, ANY LIQUOR, USE OR OCCUPANCY PERMIT OR LICENSE, DESIGN, USE, QUALITY, DESCRIPTION, DURABILITY, OR QUALITY OF MATERIAL OR WORKMANSHIP WITH RESPECT TO OR PERTAINING IN ANY MANNER TO THE PROPERTY AND ALL IMPROVEMENTS LOCATED ON ANY OF THE PROPERTY; (F) THE COMPLIANCE BY ANY SELLER PARTY WITH ANY AND ALL APPLICABLE FEDERAL, STATE OR LOCAL LAWS AND ALL RULES, REGULATIONS, OR ORDINANCES PROMULGATED PURSUANT THERETO, PERTAINING TO OR IN ANY MANNER RELATED TO THE LOAN OR THE PROPERTY AND ANY STRUCTURES AND IMPROVEMENTS LOCATED ON THE PROPERTY; (G) THE COMPLIANCE OF THE LOAN WITH ANY STATE OR FEDERAL USURY LAWS AND REGULATIONS APPLICABLE THERETO; (H) THE ACCURACY OR COMPLETENESS OF ANY INFORMATION, DATA, STATEMENTS, AMOUNTS OR SOURCES OF INFORMATION CONTAINED IN THE LOAN DOCUMENTS; AND (I) ANY OTHER MATTERS PERTAINING TO THE LOAN OR THE PROPERTY. IN ADDITION, EXCEPT TO THE EXTENT EXPRESSLY SET FORTH IN SECTION 3 OF THIS AGREEMENT AND THE SALE DOCUMENTS, EACH SELLER PARTY EXPRESSLY DISCLAIMS ANY EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. WITHOUT LIMITING THE FOREGOING, EXCEPT TO THE EXTENT EXPRESSLY SET FORTH IN SECTION 3 OF THIS AGREEMENT AND THE SALE DOCUMENTS, NO SELLER PARTY MAKES OR HAS MADE ANY REPRESENTATION OR WARRANTY REGARDING THE PRESENCE OR ABSENCE OF ANY HAZARDOUS SUBSTANCES (AS SUCH TERM IS DEFINED IN THE LOAN DOCUMENTS) ON, UNDER OR ABOUT THE PROPERTY OR THE COMPLIANCE OR NONCOMPLIANCE OF THE PROPERTY WITH ANY LEGAL REQUIREMENT REGARDING HAZARDOUS SUBSTANCES, INCLUDING, WITHOUT LIMITATION, UNDER ANY ENVIRONMENTAL LAWS (AS SUCH TERM IS DEFINED IN THE LOAN DOCUMENTS). PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT PURCHASER HAS BEEN GIVEN THE OPPORTUNITY TO REVIEW THE LOAN DOCUMENTS AND OBTAIN ALL OTHER INFORMATION AND DOCUMENTATION AS PURCHASER DEEMS APPROPRIATE PRIOR TO THE EXECUTION OF THIS AGREEMENT AND, THEREFORE, PURCHASER WILL BE PURCHASING THE LOAN PURSUANT TO ITS INDEPENDENT EXAMINATION, STUDY, INSPECTION AND KNOWLEDGE OF THE LOAN AND THE LOAN DOCUMENTS, AND PURCHASER IS RELYING UPON ITS OWN DETERMINATION OF THE QUALITY, ENFORCEABILITY, TITLE, VALUE AND CONDITION OF THE LOAN AND THE PROPERTY, AND NOT ON ANY INFORMATION PROVIDED OR TO BE
PROVIDED BY ANY SELLER PARTY, EXCEPT TO THE EXTENT EXPRESSLY SET FORTH IN THIS AGREEMENT OR THE SALE DOCUMENTS. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE LOAN WAS OR WILL BE OBTAINED FROM A VARIETY OF SOURCES AND THAT NO SELLER PARTY HAS MADE OR WILL BE OBLIGATED TO MAKE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND NO SELLER PARTY MAKES ANY REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION, EXCEPT TO THE EXTENT EXPRESSLY SET FORTH IN SECTION 3 OF THIS AGREEMENT OR THE SALE DOCUMENTS. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT NO SELLER PARTY HAS UNDERTAKEN TO CORRECT ANY MISINFORMATION OR OMISSIONS OF INFORMATION WHICH MIGHT BE NECESSARY TO MAKE ANY INFORMATION DISCLOSED TO PURCHASER NOT MISLEADING IN ANY RESPECT. PURCHASER UNDERSTANDS THAT THE EXCLUDED DOCUMENTS (DEFINED BELOW) COULD CONTAIN INFORMATION WHICH, IF KNOWN TO PURCHASER, COULD HAVE A MATERIAL IMPACT ON ITS DETERMINATION OF VALUE OF THE LOAN AS WELL AS ITS DECISION TO PURCHASE THE LOAN. PURCHASER ACKNOWLEDGES THAT THE AMOUNT ULTIMATELY RECEIVED BY IT IN RESPECT OF THE LOAN MAY BE LESS THAN THE PURCHASE PRICE, AND PURCHASER SHALL, EXCEPT AS SET FORTH IN THIS AGREEMENT OR THE SALE DOCUMENTS, HAVE NO RECOURSE TO ANY SELLER PARTY FOR ANY SUCH DEFICIENCY. PURCHASER AGREES CLOSING UNDER THIS AGREEMENT SHALL CONSTITUTE AN ACKNOWLEDGMENT THAT THE LOAN WAS PURCHASED, AND WILL BE ACCEPTED AT CLOSING, WITHOUT REPRESENTATION OR WARRANTY (EXCEPT TO THE EXTENT EXPRESSLY SET FORTH IN SECTION 3 OF THIS AGREEMENT AND THE SALE DOCUMENTS), EXPRESS OR IMPLIED AND OTHERWISE IN AN “AS IS, WHERE IS, AND WITH ALL FAULTS” CONDITION BASED SOLELY ON PURCHASER’S OWN INSPECTION, AND WITHOUT LIABILITY BY OR RECOURSE TO ANY SELLER PARTY EXCEPT TO THE EXTENT EXPRESSLY SET FORTH IN THIS AGREEMENT AND THE SALE DOCUMENTS. The terms of this Section 5 shall survive the Closing.

Section 6. Liability; Remedies After Closing Upon Breach of Representations and Warranties. This Section 6 pertains to remedies after Closing and does not affect the terms and provisions of Section 10 of this Agreement.

(a) After the Closing Date, except for the provisions of this Section 6 and the provisions of this Agreement which survive Closing by their express terms, and in such case only for the period of survival expressly specified in this Agreement, no Seller Party shall have any liability, responsibility or obligation to Purchaser with respect to this Agreement, the Loan, the Loan Documents or any of the other Sale Documents, either directly or indirectly, and Purchaser, hereby expressly waives all such liability, responsibility and obligations of, and all recourse against, any Seller Party.

(b) Notwithstanding the foregoing or anything contained herein to the contrary, if, Purchaser discovers there is a breach of any of the representations and warranties made by Seller in Section 3 of this Agreement or the Sale Documents which Purchaser had no actual knowledge of prior to the Closing, Purchaser will notify Seller in writing thereof if Purchaser reasonably
believes such breach, either individually or together with other breaches in respect of this Agreement, affects the value and/or conveyance of the Loan in an amount greater than One Hundred Thousand and No/100 Dollars ($100,000.00) (a “Material Breach”). Purchaser shall notify Seller of a Material Breach, specifying the factual basis of that Material Breach in reasonable detail to the extent then known by Purchaser (such notice a “Breach Notice”), promptly after a Responsible Officer of Purchaser obtains actual knowledge of such Material Breach; provided that: (1) notwithstanding anything to the contrary set forth in this Agreement, solely with respect to the representations and warranties that are subject to the Survival Period as provided in Section 3 hereof, the failure of the Purchaser to provide a Breach Notice to Seller as to a Material Breach prior to the end of the Survival Period shall result in waiver of such Material Breach, and Seller shall have no liability therefor; (2) subject to the foregoing clause (1), the failure of Purchaser to provide a Breach Notice promptly will not relieve Seller of any liability that Seller may otherwise have to Purchaser hereunder, except to the extent that Seller demonstrates that the value of the Loan has been materially and adversely affected by Purchaser’s failure to give notice promptly; and (3) Purchaser’s failure to notify Seller of any one Material Breach in respect of the Loan shall not impair Purchaser’s ability to notify Seller of any other Material Breach in respect of the Loan. “Responsible Officer of Purchaser” shall mean Adele Yellin. Following receipt of a Breach Notice, Seller shall have the option to elect by written notice to Purchaser to: (i) cure the Material Breach which is the subject of the Breach Notice in all material respects (which cure may, if applicable, include payment by Seller to Purchaser of all reasonable actual out-of-pocket and documented losses and expenses incurred by Purchaser in connection therewith) within the applicable Permitted Cure Period, (ii) dispute the existence of the Material Breach, in which case Purchaser shall be entitled to institute an action for damages against Seller caused by such Material Breach, subject to all limitations set forth in this Agreement (including, without limitation, the applicable Liability Cap), or (iii) take no action, in which case Purchaser shall be entitled to institute an action for damages against Seller caused by such Material Breach, subject to all limitations set forth in this Agreement (including, without limitation, the applicable Liability Cap). If Seller fails to make the election required by the preceding sentence by thirty (30) days after receipt of a Breach Notice, then it shall be deemed to have elected clause (iii) of the preceding sentence.

For purposes of the foregoing, and subject to the following paragraph, the “Permitted Cure Period” applicable to any Material Breach in respect to the Loan will be the sixty (60) day period immediately following receipt by Seller of written notice of such Material Breach. If such Material Breach cannot be corrected or cured in all material respects within such sixty (60) day period, but it is reasonably likely that such Material Breach can be corrected or cured and Seller is diligently attempting to effect such correction or cure and same is disclosed to Purchaser by Seller in writing before the expiration of the then applicable Permitted Cure Period, then the applicable Permitted Cure Period will be extended for one additional period of sixty (60) days. If, after having elected to cure or correct an asserted Material Breach hereunder pursuant to clause (i) of Section 6(b) above, Seller fails to cure or correct same during the Permitted Cure Period, as may be extended pursuant to its terms, then Purchaser’s sole recourse shall be to pursue an action for damages against Seller, subject to all other limitations set forth in this Agreement, as if Seller had elected clause (iii) of Section 6(b) above.

(c) Notwithstanding the foregoing or anything contained herein to the contrary, in any action for damages by any party under this Agreement, it is acknowledged and agreed by
each of the parties that the liability of any party hereunder (the “Breaching Party”) for any damages suffered by the other (the “Non-Breaching Party”) as a result of a breach by the Breaching Party of its representations, warranties and covenants contained in this Agreement: (i) shall be limited to actual out-of-pocket damages reasonably incurred by the Non-Breaching Party and shall in no event include any other special, consequential or punitive damages, (ii) in the case of a claim made by Purchaser, shall require that such breach be a Material Breach (and Seller shall have no liability for any breach which is not a Material Breach), (iii) in the case of a claim made by Seller, shall require that such breach, either individually or together with other breaches by Purchaser in respect of this Agreement, is reasonably estimated by Seller to cause damage to Seller in excess of One Hundred Thousand and No/100 Dollars ($100,000.00) (and Purchaser shall have no liability for any breach which does not meet such threshold amount individually or when taken together with other breaches of Purchaser), and (iv) shall in no event, when aggregated with all other claims made against such Breaching Party under or in connection with this Agreement exceed the Purchase Price, exclusive of the reasonable actual out-of-pocket and documented costs and expenses of the Non-Breaching Party in pursuing such action and which are recoverable hereunder by the Non-Breaching Party if it is the prevailing party as to such enforcement action (the “Liability Cap”).

(d) Notwithstanding anything to the contrary contained herein a Breaching Party shall have no liability with respect to a particular claim for breach of such Breaching Party's representations, warranties and covenants herein if, prior to the Closing, the Non-Breaching Party has actual knowledge of such breach of the representation, warranty or covenant which is the basis for such claim, or if the Non-Breaching Party obtains actual knowledge thereof prior to the Closing (from whatever source, including, without limitation, as a result of such Non-Breaching Party's investigation under this Agreement or review of the materials provided by the Breaching Party in connection herewith or through written disclosure by the Breaching Party or its agents or employees) that contradicts the representation, warranty or covenant of the Breaching Party which is the basis for such claim, and the Non-Breaching Party nevertheless consummates the transaction contemplated by this Agreement. For purposes of this Section 6, the actual knowledge of Purchaser shall be deemed to be the actual present knowledge of Adele Yellin, without any duty or investigation or inquiry, and does not include knowledge imputed to Purchaser from any other person or entity. The named individual is acting for and on behalf of Purchaser and in a capacity as an officer or employee of Purchaser and is in no manner expressly or impliedly making any representations or warranties in an individual capacity. Seller waives any right to sue or to seek any personal judgment or claim against the named individual. For purposes of this Agreement, the knowledge or actual knowledge of Seller shall be deemed to be the actual present knowledge of Steve Valenzuela, without any duty or investigation or inquiry, and does not include knowledge imputed to Seller from any other person or entity. The named individual is acting for and on behalf of Seller and in a capacity as an employee of Seller and is in no manner expressly or impliedly making any representations or warranties in an individual capacity. Purchaser waives any right to sue or to seek any personal judgment or claim against the named individual.

Section 7. Closing Deliveries and Actions. In connection with the Closing:

(a) Purchase Price. Purchaser shall deliver the Purchase Price in the amount of Seven Million Eight Hundred Thousand Dollars ($7,800,000.00), inclusive of the Deposit, as and
when required by Section 2(b) of this Agreement pursuant to the wire transfer instructions attached hereto as Schedule 7(a)(i).

(b) **Loan Documents and Loan File.** Seller shall make the original Note and originals of the Loan Documents which are in Seller’s possession or control available to Purchaser’s counsel, in the offices of Seller, and custody of same shall be turned over to Purchaser’s counsel upon the closing of the transaction contemplated herein.

(c) **Sale Documents.** On or prior to the Closing Date (or concurrently therewith), but in no event prior to Seller receipt of the Purchase Price, (x) Seller shall deliver (i) an original executed allonge to the Note, respectively, in the form attached as **Exhibit “C”** hereto (the “**Allonge**”), (ii) an original counterpart signature to an omnibus assignment of the Loan Documents, in the form attached as **Exhibit “B”** hereto (the “**Omnibus Assignment**”), (iii) a notarized original executed assignment of the Security Instrument, in the form attached as **Exhibit “D”** hereto (the “**Assignment of Security Instrument**”), and (iv) a counterpart original signature to each of the Notice Letters (as defined in Section 9 hereof), each to Purchaser’s counsel, and (y) Purchaser shall deliver copies (with originals to follow post-Closing) of (i) a counterpart signature to the Omnibus Assignment, and (ii) a counterpart to any Notice Letters which require Seller’s signature, each to Seller’s counsel.

(d) **Recorded and Filed Documents.** Seller shall have prepared and delivered to Purchaser’s counsel on or prior to the Target Closing Date UCC-3 Financing Statement Amendments for any Loan Documents which are UCC-1 Financing Statements, each assigning the liens evidenced or referenced thereby to Purchaser (the, “**UCC-3 Assignment**”). Purchaser shall, at its sole cost, (i) file or record (or cause the filing and/or recording of) the Assignment of Security Instrument and the UCC-3 Assignment, each at Purchaser’s sole cost and expense, each within five (5) Business Days following the Closing Date, and in each case with the California Secretary of State and/or the Recorder for the County of Los Angeles, California (the “**Official Records**”), as applicable, and (iii) provide Seller with a copy of the recorded and/or filed copies of the UCC-3 Assignments and Assignments of Security Instrument, each within ten (10) Business Days following receipt of the same.

(e) **Release From Borrower.** On the Closing Date, Purchaser shall cause Borrower to execute and deliver to Seller a Release in the form attached as **Exhibit “H”**.

**Section 8. Certain Conditions to and Obligations of Purchaser and Seller.**

(a) **Notice of Claim.** Purchaser shall promptly notify Seller in writing of any Claim or threatened Claim, or any litigation against any Seller Party or any predecessor owner of Seller relating to the Loan.

(b) **Servicing.** To effect an orderly transfer of the servicing of the Loan, the parties hereto agree to cooperate in good faith to cause said transfer, and shall bear their own costs in connection therewith. Except as set forth in this Section 8(b), Seller shall not have any obligation to Purchaser with respect to servicing of the Loan on or after the Closing Date. Purchaser is responsible for making its own arrangements as to the servicing of the Loan on and after the Closing Date, including, without limitation, with respect to being obligated to fulfill all obligations of lender thereunder and to service the Loan in accordance with commercially reasonable standards, and Purchaser agrees to abide by and be bound by all of the terms of the Loan Documents as well as comply with all state and federal laws and all covenants and
restrictions applicable to the Property (including without limitation any bond covenants or restrictions that remain an encumbrance against the Property), if any, with respect to the ownership or servicing of the Loan from and after the Closing Date. Seller shall also cooperate with Purchaser in all reasonable respects in order to effectuate the transition of the servicing of the Loan. After the Closing Date, Purchaser shall be responsible for having Purchaser substituted as loss payee or additional insured for the Loan.

(c) **Reporting to the Internal Revenue Service.** Purchaser agrees to submit all Internal Revenue Service forms and information returns for the Loan for the period during which it owns the Loan, including, without limitation, all IRS forms 1099 and 1098 in relation to the servicing and ownership of the Loan. Purchaser shall provide copies of such forms to all necessary parties upon request and Purchaser shall reimburse each party for any costs or penalties incurred by such party due to Purchaser's failure to comply with this Section 8(c).

(d) **Required Consents/Approvals.**

(i) Purchaser acknowledges that this Agreement is subject to the following approvals (collectively, the “Approvals”): Approvals from (i) Seller’s Governing Board; (ii) Seller’s Oversight Board and (iii) the State of California Department of Finance (“DOF”). Seller shall promptly notify Purchaser in writing of the receipt of the DOF Approval. If this Agreement is disapproved by any of the foregoing entities, Seller shall immediately notify Purchaser of the disapproval and this Agreement shall automatically terminate as of the date of Seller’s written notification to Purchaser. In the event that all of the Approvals have not been obtained on or prior to the date which is five (5) Business Days prior to December 1, 2016 (the “Outside Approval Date”), then, unless both Seller and Purchaser shall elect to extend such Outside Approval Date, this Agreement shall be deemed to have been disapproved by the applicable entity or entities whose Approval has not yet been obtained and either party shall have the right, by written notice to the other and to Escrow Agent to terminate this Agreement.

(ii) Seller acknowledges and agrees that as a condition precedent to Purchaser’s obligations hereunder, the Los Angeles County Metropolitan Transit Authority (the “MTA”) shall have received all approvals required by the MTA in order for Purchaser to be able to acquire (substantially concurrently with the closing of the transaction contemplated hereina) those certain promissory notes made by Borrower for the benefit of the MTA and secured by the Property (the “Senior Note Acquisition Approvals”). If the Senior Note Acquisition Approvals shall not have been received on or prior to the Outside Closing Date then, unless both Seller and Purchaser shall elect to extend such Outside Approval Date, either party shall have the right, by written notice to the other and to Escrow Agent, to terminate this Agreement.

(iii) If this Agreement is terminated pursuant to this Section 8(d) notwithstanding any other provision of this Agreement, all Purchaser documents shall be returned to Purchaser and the Deposit and interest thereon shall be disbursed to (A) Buyer, if this Agreement is terminated pursuant to Section 8(d)(i), and (B) Seller, if this Agreement is terminated pursuant to Section 8(d)(ii), and thereafter neither party shall have any further rights or obligations hereunder, except for the obligations that survive the termination of this Agreement and the payment of any escrow and title cancellation fees which shall be borne by Seller.
(e) **Identity of Ownership of Loan.** In no event shall Purchaser prosecute any claims in the name of Seller, nor shall Purchaser, intentionally or unintentionally, through misrepresentation or nondisclosure, mislead or conceal the identity of its ownership of the Loan purchased pursuant to this Agreement.

The terms of this Section 8 shall survive the Closing.

**Section 9. Notices of Sale.** Following the Closing Date, Purchaser shall, within five (5) days of the Closing Date or such shorter period as may be required by applicable regulations or laws, give notice of this transfer to each Obligor, by transmitting a notice in the form attached as Exhibit “F” hereto (the **Notice Letters**) in a manner consistent with the notice requirements of the Loan Documents. The terms of this Section 9 shall survive the Closing.

**Section 10. Default; Remedies; Limitation on Damages.**

(i) **IF THE SALE OF THE LOAN IS NOT CONSUMMATED DUE TO A BREACH OR DEFAULT BY SELLER HEREUNDER, THEN PURCHASER MAY ELECT, AS ITS SOLE AND EXCLUSIVE REMEDY, TO EITHER: (1) TERMINATE THIS AGREEMENT AND RECEIVE A REFUND OF THE DEPOSIT, IN WHICH EVENT NEITHER PARTY SHALL HAVE ANY FURTHER RIGHTS OR OBLIGATIONS HEREUNDER EXCEPT FOR THOSE OBLIGATIONS WHICH EXPRESSLY SURVIVE THE TERMINATION OF THIS AGREEMENT, OR (2) ENFORCE SPECIFIC PERFORMANCE OF THIS AGREEMENT IN ACCORDANCE WITH THIS SECTION 10. IN CONNECTION WITH ANY CLAIM RELATING TO THIS AGREEMENT, PURCHASER SHALL HAVE THE RIGHT TO COMMENCE AN ACTION SEEKING SPECIFIC PERFORMANCE ON THE PART OF SELLER REQUIRING IT TO COMPLY WITH THE TERMS AND CONDITIONS OF THIS AGREEMENT. IF PURCHASER SEEKS SPECIFIC PERFORMANCE OF SELLER’S OBLIGATIONS HEREUNDER, IT SHALL BE ENTITLED TO AN ORDER OF THE COURT ENFORCING THIS AGREEMENT WITHOUT THE NEED TO MAKE A SHOWING THAT THE LOAN IS UNIQUE OR THAT PURCHASER’S DAMAGES ARE LIQUIDATED AND NOT SPECULATIVE, OR THAT OTHER REMEDIES ARE IMPRACTICABLE, UNAVAILABLE, INEFFECTIVE OR INADEQUATE.

(ii) **IF THE SALE OF THE LOAN IS NOT CONSUMMATED DUE TO A BREACH OR DEFAULT BY PURCHASER HEREUNDER, THEN SELLER, AS ITS SOLE AND EXCLUSIVE REMEDY, SHALL BE ENTITLED TO RECEIVE THE DEPOSIT FROM ESCROW AGENT AS LIQUIDATED DAMAGES, WHICH RETENTION SHALL OPERATE TO TERMINATE THIS AGREEMENT AND RELEASE THE PARTIES FROM ANY AND ALL LIABILITY HEREUNDER, EXCEPT FOR THOSE OBLIGATIONS WHICH EXPRESSLY SURVIVE THE TERMINATION OF THIS AGREEMENT. THE PARTIES HAVE AGREED THAT SELLER’S ACTUAL DAMAGES, IN THE EVENT OF A FAILURE TO CONSUMMATE THIS SALE DUE TO PURCHASER’S DEFAULT HEREUNDER, WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO DETERMINE. AFTER NEGOTIATION, THE PARTIES HAVE AGREED THAT, CONSIDERING ALL THE CIRCUMSTANCES EXISTING ON THE EFFECTIVE DATE, THE AMOUNT OF THE DEPOSIT IS A REASONABLE ESTIMATE OF THE DAMAGES
THAT SELLER WOULD INCUR IN SUCH EVENT. EACH PARTY HERETO SPECIFICALLY CONFIRMS THE ACCURACY OF THE STATEMENTS MADE ABOVE AND THE FACT THAT EACH PARTY WAS REPRESENTED BY COUNSEL WHO EXPLAINED, AT THE TIME THIS AGREEMENT WAS MADE, THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION.

(iii) In no event shall Seller or Purchaser be entitled to receive punitive, consequential, exemplary or special damages in connection with any claim relating to this Agreement or to the Loan. The terms of this Section 10 shall survive the Closing.

**Section 11. Time is of the Essence.** Time shall be of the essence with regard to this Agreement.

**Section 12. Governing Law, Venue and Jurisdiction.** THIS AGREEMENT SHALL BE CONSTRUED AND GOVERNED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF CALIFORNIA. VENUE FOR ANY LITIGATION ARISING UNDER THIS AGREEMENT OR ITS SUBSEQUENT PERFORMANCE SHALL BE A STATE OR FEDERAL COURT SITTING IN THE STATE OF CALIFORNIA, COUNTY OF LOS ANGELES. SELLER AND PURCHASER HEREBY IRREVOCABLY WAIVE ANY OBJECTION THAT THEY MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT BROUGHT IN ANY FEDERAL OR STATE COURT SITTING IN THE STATE OF CALIFORNIA, COUNTY OF LOS ANGELES AND HEREBY FURTHER IRREVOCABLY WAIVE ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

**Section 13. Attorneys’ Fees.** In the event of any dispute hereunder or of any action to interpret or enforce this Agreement or any of the Sale Documents, any provision hereof or any matter arising herefrom, the prevailing party in any dispute arising under this Agreement or its subsequent performance shall be entitled to recover its actual reasonable costs and fees, including without limitation, reasonable out-of-pocket third-party attorneys’ fees and expenses, whether in settlement, in any declaratory action, at trial or on appeal and in all dispute resolution proceedings, including bankruptcy and post-judgment collection, proceedings to determine the amount of attorneys’ fees to be awarded; and whether or not suit be brought.

**Section 14. Notices.** All notices, consents, approvals and requests required or permitted hereunder or under any other Sale Document shall be given in writing and shall be effective for all purposes if hand delivered or sent by (a) certified or registered United States mail, postage prepaid, return receipt requested or (b) expedited prepaid delivery service, either commercial or United States Postal Service, with proof of attempted delivery, or (c) electronic mail (with receipt acknowledged), addressed as follows (or at such other address and/or to such other Person as shall be designated from time to time by any party hereto, as the case may be, in a notice to the other parties hereto in the manner provided for in this Section 14):

If to Seller: CRA/LA, a Designated Local Authority
448 S. Hill Street, Suite 1200
Los Angeles, California 90013
Attention: Steve Valenzuela
E-Mail: svalenzuela@crala.org
A notice shall be deemed to have been given: in the case of hand delivery, at the time of delivery; in the case of registered or certified mail, when delivered or the first attempted delivery on a Business Day; or in the case of expedited prepaid delivery, upon the first attempted delivery on a Business Day; or in the case of electronic mail, upon sender’s receipt of a machine-generated confirmation of successful transmission. Any failure to deliver a notice by reason of a change of address not given in accordance with this Section 14, or any refusal to accept a notice, shall be deemed to have been given when delivery was attempted. Any notice required or permitted to be given by any party hereunder or under any other Sale Document may be given by its respective counsel.

Section 15. Intentionally Blank.

Section 16. Counterparts. This Agreement may be executed in several counterparts, including by .pdf or other electronic format, each of which when executed and delivered is an original, but all of which together shall constitute one instrument. In making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart which is executed by the party against whom enforcement of this Agreement is sought.

Section 17. Brokers. Purchaser represents and warrants to Seller that it has not dealt with any broker, finder or other party entitled to a commission or other compensation or which was instrumental or had any role in bringing about the sale of the Loan. Seller represents and warrants to Purchaser that it has not dealt with any broker, finder or other party entitled to a commission or other compensation or which was instrumental or had any role in bringing about the sale of the Loan. Seller and Purchaser each agrees that should any claim be made for a commission, finder’s fee or other compensation, it will hold the other harmless from any and all claims, liabilities, losses, damages, costs or expenses as a result of a breach of its respective foregoing representation and warranty, including, without limitation, reasonable attorneys’ fees and expenses, incurred in connection therewith. The obligations under this Section 17 shall survive Closing.
Section 18. Further Assurances. At any time, and from time to time hereafter, upon the reasonable request of any party to this Agreement, and without payment of further consideration, provided that the requesting party is not then in breach of its obligations hereunder, the party so requested shall do, execute, acknowledge and deliver, and shall cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably required in order to effectuate the transaction contemplated by this Agreement (including, without limitation, Seller’s transmission to Purchaser of any original Loan Documents which come into Seller’s possession post-Closing), including to better assign, transfer, grant, convey, assure and confirm to Purchaser, or to collect and reduce to possession, the Loan as provided for herein; provided, however, nothing shall obligate Seller to increase its obligations or liabilities, or decrease its rights, under this Agreement. The obligations under this Section 18 shall survive Closing.

Section 19. Survival Period. The representations, warranties, covenants and agreements contained in this Agreement shall survive the Closing only if such survival is expressly set forth in this Agreement, and in such case shall expire at the end of the Survival Period if such survival is limited to the Survival Period in accordance with the applicable provisions of this Agreement (after which time no claim for breach of such representations or warranties may be made, if and as applicable).

Section 20. Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf the party against whom enforcement of such amendment is sought.

Section 21. Severability. If any provision of this Agreement or any other Sale Documents shall for any reason be held invalid or unenforceable, the invalidity or unenforceability of any such provision shall in no way affect the validity or enforceability of any other provision of this Agreement or any other Sale Documents, provided, however, if the invalidity or unenforceability of any provision shall materially deprive a party of the economic benefit intended to be conferred by this Agreement or any Sale Document, the parties shall negotiate in good faith to restructure this Agreement in a manner whereby the economic effect is as nearly as possible the same as the economic effect of this Agreement prior to such invalidity or unenforceability. To the extent permitted by applicable law, the Parties hereto waive any provision of law which prohibits or renders void or unenforceable any provision hereof.

Section 22. Entire Agreement. This Agreement contains the entire agreement between the parties and supersedes all prior agreements, arrangements and understandings relating to the subject matter hereof. There are no written or oral agreements, understandings, representations or warranties between the parties other than those set forth herein.

Section 23. Successors and Assigns. This Agreement shall be binding upon the parties hereto and their respective permitted successors and assigns and shall inure to the benefit of the parties hereto and their respective permitted successors and assigns. Without the prior written consent of Purchaser, Seller may not assign or delegate its rights or duties hereunder. Purchaser may not assign or delegate its rights or duties hereunder without the prior written consent of Seller. Notwithstanding the foregoing, Purchaser shall have the right to assign or delegate its rights or duties hereunder to an Affiliate of Purchaser without the prior written consent of Seller. The assignor thereof shall not be relieved of its obligations hereunder.
Section 24. Relationship of Parties. The relationship between the parties is an arm’s length relationship, and Seller is not, and shall not represent to third parties that it is, acting as an agent for and on behalf of Purchaser.

Section 25. Loan Is Not A Security; No Joint Venture. Seller and Purchaser acknowledge and agree that this Agreement merely sets forth the terms and conditions under which Purchaser is acquiring the Loan owned by Seller. This Agreement is not intended to represent and shall not be deemed to constitute a security pursuant to the Securities Act of 1933, the Securities and Exchange Act of 1934, the Investment Company Act of 1940 or other applicable federal or state laws or regulations issued thereunder. This Agreement and the purchase by Purchaser of the Loan is not intended, and shall not be deemed, to create or constitute a loan by Purchaser to Seller and shall not be deemed to create a joint venture, partnership or other similar relationship between Seller and Purchaser.

Section 26. Definitions. As used in this Agreement, the following terms shall have the meanings specified below. The terms defined herein include the plural as well as the singular and the singular as well as the plural. Other capitalized terms contained in this Agreement shall have the meanings assigned to them in this Agreement.

“Affiliate” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person.

“Borrower” means Grand Central Square Limited Partnership, a California limited partnership.

“Business Day” shall mean any day other than a Saturday, Sunday or any other day on which any of the following institutions is not open for business: (i) banks and savings and loan institutions in New York, New York or Los Angeles, California, (ii) the New York Stock Exchange or (iii) the Federal Reserve Bank of New York.

“Claim” means any claim, liability, proof of claim (including, without limitation, a proof of claim filed in bankruptcy proceedings), demand, complaint, summons, legal, equitable or administrative action, suit, proceeding, chose in action, damage, judgment, penalty or fine pertaining to the Loan.

“Deed of Trust” means that certain Amended and Restated Subordinated Deed of Trust, with Assignment of Rents, dated July 24, 2003 by Borrower in favor of Lender, recorded on July 30, 2003 in the Official Records of the County of Los Angeles as Instrument No. 03-2174821, as further amended by that certain Modification of Amended and Restated Subordinated Deed of Trust, with Assignment of Rents (Grand Central Market), dated June 23, 2004, recorded on June 30, 2004 in the Official Records of the County of Los Angeles as Instrument No. 04-1965899.

“Excluded Documents” means certain agreements and other documentation that pertain to all or a portion of the Loan Documents (including, without limitation, certain attorney/client correspondence, confidential or privileged information, valuations and opinions (any of which may be in email form) regarding the Loan or the Property, internal analyses and memoranda, credit approval and/or credit committee memoranda, regulatory reports and internal assessments of valuation of the Loan, the Loan Documents or the Property) that have been determined by Seller to be legally privileged, third party or internal appraisals or other determinations of valuation or otherwise inappropriate to include with the Loan Documents (but in no event will Excluded Documents include any Loan Documents).
“Legal Requirements” means any applicable law, statute, ordinance, order, decree, directive, rule or regulation of any federal, state, county or municipal government, or political subdivision thereof, any governmental agency, authority, board, bureau, commission, department, instrumentality, or public body, or any court or administrative tribunal.

“Lender” means Seller.

“Lien” means any lien, claim, mortgage, security interest, pledge, charge, easement, servitude or other encumbrance of any kind, including any of the foregoing arising under any conditional sales or other title retention agreement.

“Loan Documents” means each and every document, certificate or instrument which evidences or secures the Loan as listed on Exhibit “A.”

“Loan” has the meaning given to such term in the recitals to this Agreement.

“Note” means that certain Promissory Note Secured by Agency Deed of Trust, dated July 24, 2003, in the original principal amount of Twenty-Four Million Seventy Thousand Two Hundred Eighty-Two and 73/100 Dollars ($24,070,282.73), made by Borrower in favor of Lender.

“Property” means Borrower’s real property and other collateral securing repayment of the Loan.

“Obligor” means Borrower and any guarantor, surety or other primary, secondary or other party obligated with respect to the Loan or any performance or payment obligation in connection therewith, and any other party who has granted collateral for or whose property or any part thereof is subject to any encumbrance securing the Loan or any performance or payment obligation in connection therewith.

“Official Records” has the meaning given to such term in Section 7(d) of this Agreement.

“Person” means an individual, corporation, partnership, limited liability company, joint venture, association, trust or unincorporated organization or a federal, state, city, municipal or foreign government or an agency or political subdivision thereof.

“Purchase Price” means, for the Loan, the sum of Seven Million Eight Hundred Thousand and No/100 Dollars ($7,800,000.00).

“Sale Documents” means this Agreement and all attachments hereto, and all other instruments, agreements, certificates and other documents at any time executed and delivered by or on behalf of Seller and/or Purchaser in connection with the sale of the Loan.

“Security Instrument” means the Deed of Trust.

“Survival Period” shall mean the period between the Closing Date and the date that is twelve (12) calendar months after the Closing Date; provided that if notice of a claim hereunder is made in accordance with the terms of this Agreement prior to such date, then the Survival Period shall be automatically extended as to such claim until final resolution thereof.

Section 27. **No Third Party Beneficiaries.** Nothing expressed or mentioned in this Agreement is intended or will be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement, or any provisions herein contained, this
Agreement and all conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of Seller and Purchaser and for the benefit of no other person.

Section 28. Construction: No Party the Drafter. Unless the context otherwise requires, singular nouns and pronouns, when used herein shall be deemed to include the plural of such noun or pronoun, pronouns of one gender shall be deemed to include the equivalent pronoun of the other gender and references to a particular Section, Schedule or Exhibit shall be deemed to mean the particular Section of this Agreement or Schedule or Exhibit attached hereto, respectively. This Agreement is the product of negotiation between Seller and Purchaser. No Party is deemed the drafter of this Agreement.

[Signatures on Following Page]
IN WITNESS WHEREOF, each of the undersigned parties to this Agreement has caused this Agreement to be duly executed by one of its duly authorized officers, all as of the date first above written.

CRA/LA, a Designated Local Authority

By: 
Name: 
Its: Chief Executive Officer

APPROVED AS TO FORM:

GOLDFARB & LIPMAN LLP

By: 
Thomas H. Webber
CRA/LA Legal Counsel

GRAND CENTRAL SQUARE LIMITED PARTNERSHIP, a California limited partnership, as Purchaser

By: METROPOLITAN PROPERTY ASSOCIATES, a California limited partnership, its general partner

By: THE YELLIN COMPANY, LLC, a California limited liability company, its general partner

By: 
Name: Adere Yellin
Its: Manager

[Signature Page – Loan Sale Agreement]
Exhibit “A”

LIST OF LOAN DOCUMENTS

Lender: CRA/LA, a Designated Local Authority, successor to The Community Redevelopment Agency of the City of Los Angeles (“CRA”)

Borrower: GRAND CENTRAL SQUARE LIMITED PARTNERSHIP, a California limited partnership

(All documents dated as of July 24, 2003 unless otherwise indicated.)

1. Subordination Agreement dated May 27, 2003 by Pacific Data Electric, Inc. in favor of the Los Angeles County Metropolitan Transportation Authority (“MTA”) and CRA, recorded July 30, 2003 in the Official Records of the County of Los Angeles as Instrument No. 03-2174823.


4. Joint Disbursement Instructions by and among Borrower, CRA, and MTA to U.S. Bank National Association, as Trustee.

5. Master Debt Restructure Agreement by and among Borrower, CRA, and MTA.

6. Amended and Restated Operating Agreement by and among Borrower, CRA, and MTA.

7. Memorandum of Amended and Restated Operating Agreement by and among Borrower, CRA, and MTA, recorded in the Official Records on July 30, 2003 as Instrument No. 03-2174820.

8. Promissory Note Secured by Agency Deed of Trust, in the original principal amount of Twenty-Four Million Seventy Thousand Two Hundred Eighty-Two and 73/100 Dollars ($24,070,282.73), made by Borrower in favor of CRA.

9. Amended and Restated Subordinated Deed of Trust, with Assignment of Rents by Borrower (Trustor) to Commonwealth Land Title Company (Trustee) for the benefit of CRA, recorded July 30, 2003 in the Official Records of County of Los Angeles as Instrument No. 03-2174821.

11. Quitclaim Deed by CRA (Granter) in favor of Borrower, recorded July 30, 2003 in the Official Records of the County of Los Angeles as Instrument No. 03-2174813.

12. Cancellation of Lease by CRA (Lessor) and Borrower (Owner), recorded July 30, 2003 in the Official Records of the County of Los Angeles as Instrument No. 03-2174814.

13. Cancellation of Purchase and Sale Agreement by CRA and Borrower (Owner), recorded July 30, 2003 in the Official Records of the County of Los Angeles as Instrument No. 03-2174815.


15. Amended and Restated Collateral Agreement by and between MTA and CRA.
Exhibit “B”

OMNIBUS ASSIGNMENT AND ASSUMPTION

THIS OMNIBUS ASSIGNMENT AND ASSUMPTION (this “Assignment”), made as of the [___] day of [_______________], 2016 by CRA/LA, a Designated Local Authority, successor to The Community Redevelopment Agency of the City of Los Angeles having an office at 448 South Hill Street, Suite 1200, Los Angeles, CA 90013 (“Assignor”), to [__________________________], having an address at c/o The Yellin Company, LLC, 304 South Broadway, Suite 525, Los Angeles, California 90013 (“Assignee”).

KNOW ALL MEN BY THESE PRESENTS, that in consideration of the sum of TEN DOLLARS ($10.00) lawful money of the United States and other good and valuable consideration, to it in hand paid at or before the ensealing and delivery of these presents, the Assignor by these presents does grant, bargain, sell, convey, assign, transfer, deliver and set over unto Assignee all rights, title and interest of lender in, to and under the loan documents referenced in Schedule A attached hereto and made a part hereof (the “Loan Documents”), and all of Assignor’s right, title and interest in, to and under all other documents executed and/or delivered in connection with the Loan evidenced and/or secured by the Loan Documents (the “Loan”), including, without limitation, all of Assignor’s right, title and interest in the Loan and any collateral securing the Loan (including Assignor’s security interest in all certificates of deposit, letters of credit, performance bonds, demands, claims, fees, condemnation awards, collateral, certificates and insurance policies and proceeds thereof, title insurance policies, surveys, plans and specifications, licenses, permits, causes of action, all related certificates, bank accounts, operating accounts, reserve accounts, escrow accounts and other accounts of the Borrower (as defined in one or more documents listed on Schedule A), but excluding any reserves or other accounts under or pertaining to any bond transactions. The foregoing assignment is made without any recourse to or representation or warranty, express or implied, by Assignor, except as provided in Section 3 of that certain Loan Sale Agreement by and between Assignor and Assignee dated as of [_______________], 2016.

Assignee hereby expressly assumes all right, title and interest in the Loan Documents assigned by Assignor, including, without limitation all liabilities and obligations of Assignor arising under the Loan Documents. Furthermore, Assignee expressly agrees to be bound by the terms and provisions of the Loan Documents.

This Assignment is an absolute assignment and shall be governed by the laws of the State of California without giving effect to the conflict of laws principles thereof.

This Assignment may be executed by one or more parties to this Assignment in any number of counterparts, including by .pdf or other electronic format, and all said counterparts taken together shall be deemed to constitute one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY BLANK]
IN WITNESS WHEREOF, Assignor and Assignee caused these presents to be duly executed as of the day and year first written above.

ASSIGNOR:

CRA/LA, a Designated Local Authority

By: __________________________
   Name: __________________________
   Its: __________________________
ASSIGNEE:

[__________________________]

By: __________________________

Name:
Title:
Schedule A
LIST OF LOAN DOCUMENTS

Lender: CRA/LA, a Designated Local Authority, successor to The Community Redevelopment Agency of the City of Los Angeles ("CRA")

Borrower: GRAND CENTRAL SQUARE LIMITED PARTNERSHIP, a California limited partnership

(All documents dated as of July 24, 2003 unless otherwise indicated.)

1. Subordination Agreement dated May 27, 2003 by Pacific Data Electric, Inc. in favor of the Los Angeles County Metropolitan Transportation Authority ("MTA") and CRA, recorded July 30, 2003 in the Official Records of the County of Los Angeles as Instrument No. 03-2174823.


4. Joint Disbursement Instructions by and among Borrower, CRA, and MTA to U.S. Bank National Association, as Trustee.

5. Master Debt Restructure Agreement by and among Borrower, CRA, and MTA.

6. Amended and Restated Operating Agreement by and among Borrower, CRA, and MTA.

7. Memorandum of Amended and Restated Operating Agreement by and among Borrower, CRA, and MTA, recorded in the Official Records on July 30, 2003 as Instrument No. 03-2174820.

8. Promissory Note Secured by Agency Deed of Trust, in the original principal amount of Twenty-Four Million Seventy Thousand Two Hundred Eighty-Two and 73/100 Dollars ($24,070,282.73), made by Borrower in favor of CRA.

9. Amended and Restated Subordinated Deed of Trust, with Assignment of Rents by Borrower (Trustor) to Commonwealth Land Title Company (Trustee) for the benefit of CRA, recorded July 30, 2003 in the Official Records of County of Los Angeles as Instrument No. 03-2174821.

11. Quitclaim Deed by CRA (Granter) in favor of Borrower, recorded July 30, 2003 in the Official Records of the County of Los Angeles as Instrument No. 03-2174813.

12. Cancellation of Lease by CRA (Lessor) and Borrower (Owner), recorded July 30, 2003 in the Official Records of the County of Los Angeles as Instrument No. 03-2174814.

13. Cancellation of Purchase and Sale Agreement by CRA and Borrower (Owner), recorded July 30, 2003 in the Official Records of the County of Los Angeles as Instrument No. 03-2174815.


15. Amended and Restated Collateral Agreement by and between MTA and CRA.
Exhibit “C”

ALLONGE

This allonge is attached to and forms a part of that certain Promissory Note Secured by Agency Deed of Trust, dated as of July 24, 2003, made by GRAND CENTRAL SQUARE LIMITED PARTNERSHIP, a California limited partnership, in favor of CRA/LA, a Designated Local Authority, successor to The Community Redevelopment Agency of the City of Los Angeles ("Assignor"), in the original principal amount of Twenty-Four Million Seventy Thousand Two Hundred Eighty-Two and 73/100 Dollars ($24,070,282.73).

Pay to the order of [___________________________] ("Assignee"), without any recourse to or representation or warranty, express or implied, by Assignor, except as provided in Section 3 of that certain Loan Sale Agreement, executed by and between Assignor and Assignee and dated as of ________________ , 2016.

Dated as of the __________ day of __________, 2016.

CRA/LA, a Designated Local Authority

By: _____________________________

Name: ___________________________

Its: _____________________________
ASSIGNMENT OF AMENDED AND RESTATED SUBORDINATED DEED OF TRUST, WITH ASSIGNMENT OF RENTS

FOR VALUE RECEIVED, CRA/LA, a Designated Local Authority, successor to The Community Redevelopment Agency of the City of Los Angeles ("Assignor"), assigns, conveys, grants, sets over and transfers to [_____________________________] ("Assignee"), all rights, title and interest of lender and/or beneficiary, as applicable, in and to that certain Amended and Restated Subordinated Deed of Trust, with Assignment of Rents by GRAND CENTRAL SQUARE LIMITED PARTNERSHIP, a California limited partnership ("Borrower"), for the benefit of Assignor, dated as of July 24, 2003 and recorded on July 30, 2003 in the Official Records of the County of Los Angeles as Instrument No. 03-2174821, as amended, modified and/or supplemented from time to time (the "Deed of Trust"), such Deed of Trust encumbering premises described therein located in Los Angeles County, State of California as more particularly described in Exhibit A attached hereto (as and to the extent provided in the Deed of Trust);

TOGETHER WITH all of Assignor's right, title and interest in and to all notes and contracts described or referred to in the Deed of Trust, all guarantees of the Deed of Trust, all assumptions of the Deed of Trust, the money due and to become due thereon with interest and all contract rights accrued or to accrue under the Deed of Trust, in each case if and to the extent applicable.

This Assignment of Amended and Restated Subordinated Deed of Trust, with Assignment of Rents (this "Assignment") will be binding on and inure to the benefit of Assignor and Assignee and their respective successors and assigns. This Assignment is an absolute assignment and is made without recourse to or any representation or warranty, express or implied, by Assignor, except as set forth in Section 3 of that certain Loan Sale Agreement made by and between Assignor and Assignee.

[NO FURTHER TEXT ON THIS PAGE]
IN WITNESS WHEREOF, Assignor caused these presents to be duly executed as of this ____ day of __________, 2016.

CRA/LA, a Designated Local Authority

By: __________________________
Name:
Its:
State of California  )
County of ________________ )

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

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

WITNESS my hand and official seal.

Signature _____________________________ (Seal)
Exhibit A

LEGAL DESCRIPTION OF PREMISES ENCUMBERED BY DEED OF TRUST

LEGAL DESCRIPTION OF PROPERTY

All that certain property situated in the County of Los Angeles, State of California, described as follows:

PARCEL 1: (GRAND CENTRAL MARKET)

THOSE PORTIONS OF LOTS "A" AND "B" OF THE HOMER LAUGHLIN PROPERTY, BEING A SUBDIVISION OF A PORTION OF BLOCK 8 OF ORDS SURVEY, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 83 PAGE 41 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE WESTERLY LINE OF BROADWAY, 80 FEET WIDE, AS SHOWN ON SAID MAP, DISTANT SOUTH 37° 47' 30" WEST 120.22 FEET FROM THE INTERSECTION OF SAID WESTERLY LINE OF BROADWAY WITH THE SOUTHERLY LINE OF THIRD STREET, 60 FEET WIDE; THENCE ALONG BROADWAY, SOUTH 37° 47' 30" WEST 120 FEET TO THE INTERSECTION OF SAID WESTERLY LINE OF BROADWAY WITH THE EASTERLY PROLONGATION OF THE CENTER LINE OF THE PARTY WALL ERECTED UNDER THE PROVISIONS OF THE PARTY WALL AGREEMENT, RECORDED IN BOOK 1229 PAGE 27 OF DEEDS; THENCE TO AND ALONG THE CENTER LINE OF SAID PARTY WALL AND THE PROLONGATION THEREOF, NORTH 52° 08' 30" WEST 156.84 FEET; THENCE NORTH 52° 29' WEST 174.96 FEET TO A POINT IN THE EASTERLY LINE OF HILL STREET, (80 FEET WIDE) DISTANT SOUTH 37° 51' 20" WEST 241.75 FEET FROM THE INTERSECTION OF SAID EASTERLY LINE OF HILL STREET WITH SAID SOUTHERLY LINE OF THIRD STREET; THENCE ALONG HILL STREET, NORTH 37° 51' 20" EAST 121.34 FEET TO A POINT IN SAID EASTERLY LINE OF HILL STREET, DISTANT SOUTH 37° 51' 20" WEST 120.41 FEET FROM THE INTERSECTION OF SAID EASTERLY LINE WITH SAID SOUTHERLY LINE OF THIRD STREET; THENCE SOUTH 52° 05' 30" EAST 331.66 FEET TO THE POINT OF BEGINNING.

PARCEL 2: (MILLION DOLLAR BUILDING)

PARCEL 3: (PARKING STRUCTURE)

PART OF LOT 10 IN BLOCK 8 OF ORD'S SURVEY, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 53 PAGES 66, ET SEQ., OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHERLY LINE OF THIRD STREET, WITH THE EASTERLY LINE OF HILL STREET; THENCE EASTERLY ALONG SAID SOUTHERLY LINE OF THIRD STREET, 82 ½ FEET; THENCE AT RIGHT ANGLES SOUTHERLY, 82 ½ FEET; THENCE AT RIGHT ANGLES WESTERLY, 82 ½ FEET TO SAID EASTERLY LINE OF HILL STREET; THENCE NORTHERLY ALONG SAID EASTERLY LINE OF HILL STREET, 82 ½ FEET TO THE POINT OF BEGINNING.

PARCEL 4: (PARKING STRUCTURE)

THAT PORTION OF LOT TEN (10) IN BLOCK EIGHT (8) OF ORD'S SURVEY, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 53 PAGE 66, ET SEQ., OF MISCELLANEOUS RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE EASTERLY LINE OF HILL STREET, SOUTH 37° 52' WEST EIGHTY-TWO AND FIFTY-TWO HUNDREDTHS (82.52) FEET SOUTHERLY, FROM THE INTERSECTION OF SAID LINE OF HILL STREET WITH THE SOUTHERLY LINE OF THIRD STREET, AS SAID STREET LINES ARE NOW ESTABLISHED; THENCE SOUTH 37° 52' WEST ALONG HILL STREET, THIRTY-SEVEN AND EIGHTY-FOUR HUNDREDTHS (37.84) FEET, A LITTLE MORE OR LESS, TO THE SOUTHWEST CORNER OF SAID LOT TEN (10), BEING ALSO THE NORTHWEST CORNER OF LOT "B" AS SHOWN ON THE MAP OF HOMER LAUGHLIN PROPERTY, RECORDED IN BOOK 83 PAGE 41 OF MISCELLANEOUS RECORDS OF SAID COUNTY; THENCE SOUTH 52° 03' EAST ALONG THE SOUTH LINE OF SAID LOT 10, EIGHTY-TWO AND FIFTY HUNDREDTHS (82.50) FEET TO A POINT; THENCE NORTH 37° 52' EAST PARALLEL TO SAID LINE OF HILL STREET, THIRTY-SEVEN AND EIGHTY-FOUR HUNDREDTHS (37.84) FEET, A LITTLE MORE OR LESS, TO A POINT WHICH IS DISTANT SOUTH 37° 52' WEST EIGHTY-TWO AND FIFTY-TWO HUNDREDTHS (82.52) FEET FROM THE SAID SOUTHERLY LINE OF THIRD STREET; THENCE NORTH 52° 03' WEST EIGHTY-TWO AND FIFTY HUNDREDTHS (82.50) FEET TO THE POINT OF BEGINNING.

PARCEL 5: (PARKING STRUCTURE)

THE WESTERLY 50 FEET OF THE EASTERLY 1/5 OF LOT 10 IN BLOCK 8 OF ORD'S SURVEY, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 53 PAGE 66 OF MISCELLANEOUS RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:
BEGINNING IN THE SOUTHERLY LINE OF THIRD STREET, 82 ½ FEET EASTERLY FROM THE SOUTHERLY CORNER OF THIRD AND HILL STREETS; THENCE EASTERLY ALONG SAID SOUTHERLY LINE OF THIRD STREET, 50 FEET; THENCE SOUTHERLY PARALLEL WITH HILL STREET, 120 FEET TO THE SOUTHERLY LINE OF SAID LOT 10; THENCE WESTERLY ALONG SAID LINE AND PARALLEL WITH THIRD STREET, 50 FEET; THENCE NORTHERLY PARALLEL WITH HILL STREET, 120 FEET TO THE PLACE OF BEGINNING.

PARCEL 6: (SURFACE PARKING)

THAT PORTION OF LOT 8 IN BLOCK 8 OF ORD’S SURVEY, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 53, PAGE 66 ET SEQ. OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT POINT IN THE WESTERNLY LINE OF SAID LOT WHICH LINE IS ALSO THE WESTERLY LINE OF HILL STREET DISTANT ALONG SAID LINE, 52 FEET FROM THE NORTHERLY LINE OF SAID LOT WHICH POINT IS THE CENTER LINE OF THE BRICK WALL RUNNING WESTERLY AND WESTERLY, AS THE SAME EXISTED IN MARCH 1902, THENCE SOUTHERLY ALONG SAID EASTERNLY LINE OF HILL STREET, 42 FEET TO THE CENTER LINE OF THE BRICK WALL RUNNING EASTERNLY AND WESTERLY, AS THE SAME EXISTED IN MARCH 1902, THENCE EASTERNLY ALONG THE CENTER LINE OF SAID WALL AND EXTENSION THEREOF 165 FEET; THENCE NORTHERLY PARALLEL WITH SAID STREET LINE, 42 FEET; THENCE WESTERLY 165 FEET TO THE POINT OF BEGINNING.

PARCEL 7: (SURFACE PARKING)

THAT PORTION OF BLOCK 8 OF ORD’S SURVEY, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 53, PAGE 66 ET SEQ., MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHEASTERLY LINE OF HILL STREET, (80 FEET WIDE) WITH THE SOUTHWESTERLY LINE OF "PUBLIC ALLEY" IN SAID BLOCK, AS SHOWN ON MAP OF AN ALLEY IN BLOCK 8 OF ORD’S SURVEY, AS PER MAP RECORDED IN BOOK 9, PAGE 184 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID INTERSECTION BEING DISTANT SOUTH 37° 51' 30" WEST 251.80 FEET FROM THE INTERSECTION OF SAID SOUTHEASTERLY LINE OF HILL STREET WITH THE SOUTHWESTERLY LINE OF THIRD STREET (60 FEET WIDE), THENCE ALONG SAID SOUTHEASTERLY LINE OF HILL STREET, SOUTH 37° 51' 50" WEST 41.97 FEET TO THE MOST NORTHERLY CORNER OF THE LAND CONVEYED TO WILLIAM M. HIATT BY DEED RECORDED IN BOOK 1567, PAGE 67 OF DEEDS, DISTANT NORTH 37° 51' 30" EAST 308.42 FEET FROM THE INTERSECTION OF SAID SOUTHEASTERLY LINE WITH THE
NORTEASTERLY LINE OF FOURTH STREET (60 FEET WIDE), THENCE ALONG THE NORTEASTERLY LINE OF THE LAND SO CONVEYED TO SAID WILLIAM M. HIATT, SOUTH 52° 11' 50" EAST 145 FEET TO THE NORTHWESTERLY LINE OF THE ABOVE-MENTIONED ALLEY; THENCE ALONG SAID NORTHWESTERLY LINE, NORTH 37° 51' 30" EAST 32.96 FEET TO THE BEGINNING OF A CURVE IN SAID NORTHWESTERLY LINE CONCAVE TO THE WEST, TANGENT TO THE LAST MENTIONED COURSE, AND HAVING A RADIUS OF 10 FEET; THENCE NORTHEASTERLY, NORTHERLY AND NORTHWESTERLY ALONG SAID CURVE, 15.79 FEET; THENCE ALONG THE SOUTHWESTERLY LINE OF SAID ALLEY, NORTH 52° 37' 30" WEST 134.92 FEET TO THE POINT OF BEGINNING.
Exhibit “E”

[Reserved]
Re: Notice of Transfer related to that certain mortgage loan in the principal amount of $24,070,282.73 (the “Loan”) made by CRA/LA, a Designated Local Authority, successor to The Community Redevelopment Agency of the City of Los Angeles ("Original Lender"), to Grand Central Square Limited Partnership, a California limited partnership ("Borrower"), and evidenced by, inter alia, (i) that certain Promissory Note Secured by Agency Deed of Trust, dated July 24, 2003, in the principal amount of $24,070,282.73 made by Borrower to Original Lender and (ii) Amended and Restated Subordinated Deed of Trust, with Assignment of Rents by Borrower in favor of Lender, (as amended, “Deed of Trust”).

Ladies and Gentlemen:

Please be advised that, pursuant to that certain Loan Sale Agreement dated as of _____ __, 2016, Original Lender transferred all of its rights, title and interest in the Loan to [______________________________] (“New Lender”). In connection with the foregoing transfer, New Lender has become the lender with respect to the Loan and the Loan Documents (as defined in the Loan Sale Agreement) effective as of the Closing Date (as defined in the Loan Sale Agreement).

Accordingly, effective with the next loan payment from and after the date hereof you should (i) make your Loan payments (including escrow payments) to New Lender pursuant to a separate notice which has or will be delivered to you under separate cover by New Lender and (ii) immediately notify your insurance carrier to (a) add New Lender as an additional insured on your
liability insurance policy and (b) change the name of the mortgagee and loss payee on your property insurance policy to: [NEW LENDER INFO TO BE INSERTED].

Notices to Lender under the Loan Documents should be sent to the notice parties described on Exhibit A attached hereto, which notice parties and addresses shall supersede the Lender parties and addresses set forth in the Loan Documents.

All inquiries concerning your Loan or this Notice of Transfer should be directed to [__________]. The contact information for [__________] is as follows: [______________________].

Thank you for your attention to this Notice of Transfer, and New Lender looks forward to its new business relationship with you.

[SIGNATURES COMMENCE ON FOLLOWING PAGE]
Sincerely,

**CRA/LA**, a Designated Local Authority

By: ______________________

Name: ______________________

Its: ______________________
EXHIBIT A

LENDER NOTICE PARTIES

If to New Lender:  c/o The Yellin Company, LLC
304 South Broadway, Suite 525
Los Angeles, California 90013
Attention: Adele Yellin
Facsimile No.: (213) 621-0205
E-Mail: AYellin@yellinco.com

With a copy to:  Gibson, Dunn & Crutcher LLP
333 South Grand Avenue
Los Angeles, California 90071
Attention: Farshad E. Morè
Facsimile No.: (213) 229-6947
E-Mail: FMore@gibsondunn.com
### Exhibit “G”

**MORTGAGE LOAN SCHEDULE**

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<th>Loan Amount</th>
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<th>Current Interest Rate</th>
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<td>$24,070,282.73</td>
<td>0%</td>
<td>7/1/2033</td>
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Exhibit “H”
FORM OF BORROWER’S RELEASE

RELEASE

This RELEASE (“Release”) dated as of [___________ ___], 201__ is executed by GRAND CENTRAL SQUARE LIMITED PARTNERSHIP, a California limited partnership (“Borrower”) in favor of CRA/LA, a Designated Local Authority, successor to The Community Redevelopment Agency of the City of Los Angeles, California (“Seller”), in connection with that certain Loan Sale Agreement, dated as of [____________], 2016 (the “Loan Sale Agreement”), by and between Borrower, together with its assignees or designees, as purchaser, and Seller, as seller of the Loan. Any capitalized terms used but not defined herein shall have the meaning ascribed thereto in the Loan Sale Agreement.

Borrower, on its own behalf and on behalf of its Affiliates or any Person that comprises or is an officer, director, direct or indirect constituent member, employee, agent, shareholder, partner or direct or indirect owner of any such Person or any Affiliate thereof, or any representative which controls, is controlled by or is under common control with any of the foregoing (each a “Borrower Party” or together, the “Borrower Parties”), hereby releases and forever discharges, effective from and after the date hereof, Seller and its Affiliates and any Person that comprises or is an officer, director, constituent direct or indirect member, employee, agent, shareholder, direct or indirect partner or direct or indirect owner of Seller or its Affiliates, or any representative which controls any such Person (together, the “Seller Parties” or each individually, a “Seller Party”), from any and all causes of action, liabilities, losses, damages, claims, demands and remedies of whatsoever kind or nature, whether known or unknown, that any Borrower Party now has, or may in the future have, against such Seller Party in any manner on account of, to the extent arising out of or in any way related to the Loan, the Loan Documents, the Property or any matter, thing, fact event or circumstance arising from or in any way connected to the Loan, the Loan Documents, or the Property.

California Civil Code Section 1542 provides as follows:

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

Borrower acknowledges that it has read, is familiar with, and waives the provisions of California Civil Code Section 1542 set forth above.

[Signatures follow]
BORROWER:

GRAND CENTRAL SQUARE LIMITED PARTNERSHIP, a California limited partnership, as Purchaser

By: METROPOLITAN PROPERTY ASSOCIATES, a California limited partnership, its general partner

By: THE YELLIN COMPANY, LLC, a California limited liability company, its general partner

By: ___________________________________
   Name: Adele Yellin
   Its: Manager
Schedule 7(a)(i)

Wiring Instructions

[TO BE ATTACHED]