MEETING DATE: 04/21/08

AGENDA ITEM: Consideration Whether to Exercise the Option To Purchase 11054 Washington Boulevard

ATTACHMENTS

		Pages
1.	Option Agreement	1-30
2.	Map of the Site	31

RECORDING REQUESTED BY AND
WHEN RECORDED, RETURN TO:

Culver City Redevelopment Agency
9770 Culver Boulevard
Culver City, CA 90232-0507
Attn: John Fisanotti

MAIL TAX STATEMENTS TO:

Same

APN: 4213-007-002______________

(Free Recording Requested Pursuant to Gov't Code Section 6103)

OPTION AGREEMENT FOR PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS BY AND BETWEEN THE CULVER CITY REDEVELOPMENT AGENCY AND RICHARD TAPP PERTAINING TO THE PURCHASE OF REAL PROPERTY

THIS OPTION AGREEMENT FOR PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS ("Agreement") is entered into by and between THE CULVER CITY REDEVELOPMENT AGENCY ("Agency" or "Buyer") and RICHARD L. TAPP ("Seller"). The Agreement shall become effective upon the execution of the Agreement by the Agency's duly authorized representative ("Effective Date").

RECITALS

A. Whereas, Seller is the owner of that certain real property located at 11054 Washington Boulevard, Culver City (the "Property"), more particularly described in the attached Exhibit A ("Legal Description").

B. Whereas, Buyer and Seller have entered into negotiations for the Buyer's purchase of the Property.

C. Whereas, Buyer desires to acquire an option to purchase the Property from Seller (the "Option") in accordance with the terms and conditions of this Agreement.

D. Whereas, Seller agrees to grant the Option to Buyer in accordance with the terms and conditions of this Agreement.

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

TERMS AND CONDITIONS

1. Property. Seller currently owns fee title to the Property and all of the Improvements. For purposes of this Agreement, the term "Improvements" shall mean and include all buildings, structures, improvements, pavement areas improved with asphalt, concrete or similar materials, and fixtures and equipment installed upon or located in or on the Property. For purposes of this Agreement, the term "Property" shall mean and include the above-referenced parcel of land, the Improvements, and all and singular estates, rights, privileges, easements and appurtenances owned by Seller and belonging or in any way appertaining to the Property.

2. Opening of Escrow. Buyer shall deposit a fully executed Agreement with First American Title Company, located at 520 North Central Avenue, Glendale, California 91203, Escrow Officer, Anna Monez (the "Escrow Holder"), no later than ten (10) business days from the Effective Date of this Agreement. For purposes of this Agreement, escrow for this transaction ("Escrow") shall be deemed opened on the date Escrow Holder shall have received the fully executed Agreement ("Opening Date"). Escrow Holder shall notify Buyer and Seller, in writing, of the Opening Date and the Closing Date, as defined in Section 7.

a. Joint Escrow Instructions. Sections 2 through 21 shall constitute the joint escrow instructions to Escrow Holder for the conveyance of the Property contemplated by this Agreement. In addition, Buyer and Seller agree to execute, deliver, and be bound by any reasonable or customary supplemental joint order escrow instructions of Escrow Holder, or other instruments as may reasonably be required by Escrow Holder, in order to consummate the transaction contemplated by this Agreement. Any such supplemental instructions shall not conflict with, amend, or supersede any portion of this Agreement. If there is any inconsistency between such supplemental instructions and this Agreement, then this Agreement shall control.

3. Option to Purchase. In accordance with and subject to the terms of this Agreement, Seller grants Buyer an irrevocable option to purchase the Property in consideration for Buyer's deposit into Escrow the amount of sixty thousand dollars ($60,000)(the "Option Payment") no later than five (5) business days from the Opening Date. The Option Payment shall be held in an interest bearing account and the interest accruing thereon shall be held for the account of Seller. Reference herein to the Option Payment includes all interest accrued thereon.

a. Option Payment. The Option Payment shall be deemed fully earned and non-refundable except as expressly provided herein. In the event that Buyer exercises the Option in accordance with this Agreement, the Option Payment shall be applied towards the Purchase Price upon Closing.

4. Due Diligence. Within sixty (60) days from the Effective Date, Buyer shall conduct its due diligence ("Due Diligence Period"), including, but not limited to, the following:

(i) The environmental integrity of the Property;

(ii) All other aspects of the physical condition of the Property;

(iii) The condition of Seller's title to the Property;

(iv) The condition of the entitlements and permits for the Property;

(v) The operating history of the Property; and

(vi) The acquisition of a commitment letter from First American Title Company ("Title Company") to issue Buyer a title policy for the Property ("Title Policy").

a. Due Diligence Materials/Title. Within five (5) business days of the Opening Date, Seller shall deliver to Buyer copies of the following items, if and to the extent such items are in Seller's possession (collectively referred to herein as the "Due Diligence Materials"): (i) a current Preliminary Title Report ("Title Report") for the Property, if not already requested and obtained by Buyer from First American Title Company ("Title Company") and legible copies of all documents, whether recorded or unrecorded, referred to in the Title Report; (ii) a copy of the most recent tax bill relating to the Property; (iii) any and all environmental reports relating to the Property; (iv) copies of any and all material documents that pertain to the physical and/or economic condition of the Property; (v) any and all agreements with any third party with any rights to occupy the Property or Improvements thereon; and (vi) any and all agreements with any third party pertaining to maintenance of or service to the Property or Improvements thereon. Seller shall also provide Buyer with copies of any other reports relating to the physical condition of the Property that Seller knows are in existence, but not in Seller's possession, which shall be considered part of the Due Diligence Materials.

b. Termination at Buyer's Discretion. Prior to the expiration of the Due Diligence Period, Buyer shall have the right to review and approve or disapprove, in its sole and subjective discretion, at Buyer's sole cost and expense, the Due Diligence Materials. Failure of Buyer to give disapproval of the Due Diligence Materials, in a writing delivered by Buyer to Seller on or before the expiration of the Due Diligence Period, shall be deemed to constitute Buyer's approval of all Due Diligence Materials. If Buyer disapproves or conditionally approves any matters of title shown in the Title Report, then Seller may, within five (5) days after its receipt of Buyer's notice of disapproval of the Due Diligence Materials, elect to eliminate or ameliorate to Buyer's satisfaction the disapproved or conditionally approved title matters. Seller shall thereupon give Buyer written notice of those disapproved or conditionally approved title matters, if any, which Seller covenants and agrees to either eliminate from the Title Policy as exceptions to title to the Property or to ameliorate to Buyer's satisfaction by the Closing Date as a condition to the Close of Escrow for Buyer's benefit. If Seller does not elect to eliminate or ameliorate to Buyer's satisfaction any disapproved or conditionally approved title matters, or if Buyer disapproves of Seller's notice, or if, despite its reasonable efforts, Seller is unable to eliminate or ameliorate to Buyer's satisfaction all such disapproved matters prior to the Closing Date, then Buyer shall have the right to, by a writing delivered to Seller and Escrow Holder: (i) waive its prior disapproval, in which event the disapproved matters shall be deemed approved; or (ii) terminate this Agreement and the Escrow created pursuant thereto. In the event that Escrow is terminated by Buyer under this Section, Seller shall be entitled to receive the Option Payment from the Escrow Holder within five (5) business days of Escrow Holder's receipt of the notice of termination; provided, however, that Seller has not breached any of Seller's representations, warranties or covenants as set forth in the Agreement. Escrow and the rights and obligations of the parties hereunder shall thereafter terminate.

c. Buyer's Objections. Notwithstanding anything to the contrary contained in this Section, Buyer hereby objects to: (i) all liens evidencing monetary encumbrances (other than liens for non-delinquent property taxes), (ii) the leasing and/or occupancy of the Property by any third party without the written approval of Buyer, (iii) any existing agreements relating to the Property, including maintenance and/or services, without the written approval of the Buyer. Seller agrees to cause all such liens, leases, and/or agreements to be eliminated at Seller's sole cost and expense (including all prepayment penalties and charges, Acquisition and Relocation Benefits) prior to Closing Date. Seller and Buyer acknowledge that Seller has provided Buyer with copies of each of the documents set forth on the "List of Delivered Documents," attached hereto as Exhibit C.

d. Look Back Provision. Notwithstanding anything to the contrary contained in this Section, after expiration of the Due Diligence Period but no later than thirty (30) days prior to the Closing Date ("Look Back Period"), Buyer shall have the right to object to any material adverse changes to the Property which occur after expiration of the Due Diligence Period, including, but not limited to, material adverse changes caused by the use of the Property, physical condition of the Property, environmental integrity of the Property, or conditions affecting Seller's title to the Property. Failure of Buyer to provide notice of any objection(s), in a writing delivered by Buyer to Seller on or before the expiration of the Look Back Period, shall be deemed to constitute Buyer's consent that no material adverse changes have occurred after expiration of the Due Diligence Period. If Buyer objects to any material adverse changes, then Seller may, within five (5) days after its receipt of Buyer's notice of the objection(s), elect to eliminate or ameliorate to Buyer's satisfaction the objection(s) prior to the Closing Date. Seller shall thereupon give Buyer written notice of the objections which Seller covenants and agrees to either eliminate or ameliorate to Buyer's satisfaction as a condition to the Close of Escrow for Buyer's benefit. If Seller does not elect to eliminate or ameliorate to Buyer's satisfaction Buyer's objection(s), or if, despite its reasonable efforts, Seller is unable to eliminate or ameliorate to Buyer's satisfaction Buyer's objection(s) prior to the Closing Date, then Buyer shall have the right to, by a writing delivered to Seller and Escrow Holder: (i) waive its objection(s); (ii) extend the Closing Date by no longer than forty-five (45) days to give Seller time to cure the objection(s); or (iii) terminate this Agreement and the Escrow created pursuant thereto. In the event that Escrow is terminated by Buyer under this Section, Seller shall be entitled to receive the Option Payment from the Escrow Holder within five (5) business days of Escrow Holder's receipt of the notice of termination; provided, however, that Seller has not breached any of Seller's representations, warranties or covenants as set forth in the Agreement. Escrow and the rights and obligations of the parties hereunder shall thereafter terminate.

5. Exercise of Option. At any time on or before 5:00 p.m. Pacific Standard Time exactly fourteen (14) months from the Effective Date of this Agreement ("Option Deadline"), Buyer may elect to purchase the Property in accordance with the terms of this Agreement by

delivering written notice in the form of Exhibit B ("Exercise Notice") to Seller in accordance with the provisions of Section 25. Delivery of the Exercise Notice shall be irrevocable except as specifically provided herein. The Option shall be deemed to have been exercised by Buyer on the date of delivery of the Exercise Notice ("Option Date"). In the event that Buyer does not deliver the Exercise Notice on or before the Option Deadline, and Seller has not breached any of Seller's representations, warranties and covenants as set forth in the Agreement, the Escrow Holder shall deliver the Option Payment to the Seller within five (5) business days of the Option Deadline.

6. Purchase and Sale of Property. Upon Buyer's exercise of the Option, Seller shall sell and convey the Property to Buyer, and Buyer shall purchase and accept the Property from Seller for the Purchase Price, in accordance with the terms and conditions of this Agreement.

7. Close of Escrow. The close of escrow ("Closing" or "Close of Escrow") shall occur no later than forty-five (45) days from the Option Date, unless extended in writing by the mutual written agreement of the parties ("Closing Date").

8. Purchase Price. The purchase price to be paid by buyer to seller for the Property shall be ONE MILLION ONE HUNDRED AND FIFTY-TWO THOUSAND DOLLARS ($1,152,000)("Purchase Price").

a. Balance of Purchase Price. Within three (3) business days prior to Close of Escrow, Buyer shall deposit with the Escrow Holder, for delivery to Seller at the Close of Escrow, the difference between the Purchase Price and the Option Payment in immediately available funds.

b. Payment of Balance Upon Closing. The Purchase Price shall be paid by Escrow Holder to or at the direction of Seller on the Closing Date.

9. Broker. Seller and Buyer each hereby agree that no real estate broker has been retained by either party in relation to this transaction. If any claims for brokers' or finders' fees for the consummation of this Agreement arise, then Buyer hereby agrees to indemnify, save harmless and defend Seller from and against such claims if they shall be based upon any statement or representation or agreement of Buyer, and Seller hereby agrees to indemnify, save harmless and defend Buyer if such claims shall be based upon any statement, representation or agreement made by Seller.

10. Acquisition and Relocation Benefits Waiver. It is expressly acknowledged and agreed to that in order to accomplish a public use or purpose, Buyer may in its absolute discretion convey all or a portion of the Property to third party public or private entities. Buyer's purpose in acquiring the Property is for development for a lawful public use or purpose. The compensation to be paid hereunder represents the total just compensation for the taking of Seller's interest in the Property including, but not limited to, land and Improvements, relocation benefits or assistance, damage or injury to business goodwill, severance damages, loss of machinery, fixtures and/or equipment, precondemnation or inverse condemnation damages, attorneys fees, appraisal fees and costs related thereto. Seller, in consideration of the

performance by Buyer of its obligations hereunder and the payment to Seller of the Purchase Price and other consideration provided herein for benefit of Seller, expressly acknowledges and agrees that the Purchase Price and other consideration provided in this Agreement for the benefit of Seller represents an all-inclusive settlement with Seller for the Property and is full payment for the acquisition of the Property and all property interests involved and satisfies any and all other payments that may be required by law arising out of the acquisition, displacement, and relocation that is the subject matter of this Agreement or that may arise from this Agreement, and specifically includes, but is not limited to, fee title to the Property and all or any portions thereof and/or interests therein; and any and all Acquisition and Relocation Benefits as defined herein.

For purposes of this Agreement, the term "Acquisition and Relocation Benefits" shall mean: just compensation for the acquisition, taking or threatened taking of property interests in the Property (land, building, fixtures, equipment and loss of goodwill); costs for payment of goodwill or loss of goodwill as provided under any applicable law; and any additional costs incurred to settle or pay claims of inverse condemnation, or judgments in inverse condemnation; costs for relocation assistance and benefits pursuant to all applicable state and local relocation laws, including without limitation, the California Relocation Assistance Law (Government Code § 7260 et seq.) and the implementing regulations thereto and local implementing regulations thereto, and all applicable federal relocation laws, including, without limitation, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4201-4655, and 49 CFR part 24), acquisitions and eminent domain laws (Government Code § 7267 et seq. and Code of Civil Procedure § 1240.000 et seq.) and any other applicable federal, state or local enactment, regulation or practice providing for relocation assistance and benefits, acquisition and/or compensation for property interests (including without limitation goodwill and furnishings, fixtures and equipment, leasehold bonus value, and moving expenses); severance damages, including specifically and without limitation any severance damages that might otherwise be compensable for any claimed reduction in value of that certain real property owned by Seller and generally located at 11054 Washington Boulevard, Culver City, California; and any and all related claims.

Without limiting the foregoing, the amount of the Purchase Price and other consideration set forth in the Agreement has been determined based upon negotiations at arm's-length and is in lieu of any and all amounts required or that may be required to be paid for Acquisition and Relocation Benefits. Seller hereby forever knowingly, intelligently and voluntarily waives, disclaims and releases Buyer, the City of Culver City and their principals, officers, employees, Holders and contractors from any claims for Acquisition and Relocation Benefits and agrees to indemnify, protect, defend and hold Buyer, the City of Culver City and their principals, officers, employees, Holders and contractors harmless against any such claims for such Acquisition and Relocation Benefits.

11. Closing Funds. Within five (5) business days of written request from Escrow Holder, and in any event at least three (3) business days prior to the Close of Escrow, Buyer and Seller shall each deposit or cause to be deposited with Escrow Holder its respective share of Closing costs.

12. Conditions of Title. It shall be a condition to the Close of Escrow and a covenant of Seller that Seller shall convey good and marketable fee simple title to the Property by the Grant Deed, subject only to the following approved conditions of title ("Approved Condition of Title"): exceptions which are disclosed by the Title Report and which are approved or deemed approved by Buyer in accordance with Section 4.

13. Conditions to Close of Escrow.

a. Conditions to Buyer's Obligations. The Close of Escrow and Buyer's obligation to consummate the transaction contemplated by this Agreement are subject to Seller's satisfaction of the following conditions for Buyer's benefit on or prior to the dates designated below for the satisfaction of such conditions:

(1) Due Diligence Materials. Delivery of Due Diligence Materials in accordance with Section 4.a.

(2) Review and Approval of Due Diligence Materials. Buyer's review and approval of Due Diligence Materials in accordance with Section 4.b.

(3) Representations, Warranties, and Covenants of Seller. Seller shall have duly performed each and every duty to be performed by Seller hereunder and Seller's representations, warranties, and covenants set forth in this Agreement shall be true and correct in all material respects.

(4) No Material Adverse Changes. At the Closing Date, there shall have been no material adverse changes in the Property that have not been waived by Buyer and there shall have been no material adverse change in the financial condition of Seller.

(5) Inspections and Studies. During the term of this Escrow, Buyer, its employees, agents, contractors, subcontractors, and Buyer's selected prospective developers of the Property (collectively, "Buyer's Representatives") shall have the right to enter upon the Property, at reasonable times during ordinary business hours to make any and all inspections and tests as may be necessary or desirable in Buyer's sole judgment and discretion (including inspection of documents and records); provided, however, that Buyer first gives Seller notice of said tests and inspections at least forty-eight (48) hours in advance. Buyer shall use care and consideration in connection with any of its inspections. Buyer hereby indemnifies Seller and Seller's directors, officers, shareholders, and employees from and against any and all personal injuries, damage to the Property and mechanics' liens, arising out of any such entry by Buyer or Buyer's Representatives onto the Property. Notwithstanding the forgoing, Buyer has no obligation to indemnify the Seller and Seller's directors, officers, shareholders, and employees against Seller and Seller's directors', officers', shareholders', and employees' gross negligence or willful misconduct. In conducting any inspections, tests or studies, Buyer and Buyer's Representatives shall (a) not materially interfere with the operation, use, occupancy, and maintenance of the Property, (b) except for normal damage incidental to studies, inspections, investigations and tests, not damage any part of the Property or any personal property owned or held by any third party, (c) not injure or otherwise cause bodily harm to Seller or Seller's

directors, officers, shareholders, and employees, or any other third party, (d) promptly pay when due the cost of all inspections, tests or studies, and (e) not permit any liens to attach to the Property by reason of the exercise of their rights under this Section 13.a.(5). Seller shall be provided an opportunity to have a representative of Seller present during any testing. If the Close of Escrow does not occur for any reason other than the default of Seller, Buyer agrees to give to Seller copies of reports, studies, investigations or other work product of third party professionals retained by Buyer in connection with Buyer's due diligence activities.

(6) Title Company's Commitment. Prior to the expiration of the Due Diligence Period, Buyer shall have received a written commitment from Title Company to issue Buyer's Title Policy.

b. Conditions Precedents to Seller's Obligation. For the benefit of Seller, the Close of Escrow shall be conditioned upon the occurrence and satisfaction of each of the following conditions by Buyer (or Seller's waiver thereof, it being agreed Seller may waive any or all of such conditions):

(1) Buyer's Obligations. Buyer shall have timely performed all of the obligations required by the terms of this Agreement to be performed by Buyer,

(2) Buyer's Representations. All representations and warranties made by Buyer to Seller in this Agreement shall be true and correct in all material respects as of the Close of Escrow.

14. Deposits by Seller. At least three (3) business days prior to the Close of Escrow, Seller shall deposit or cause to be deposited with Escrow Holder the following documents and instruments:

a. Seller's Nonforeign Affidavit. A Certificate of Nonforeign Status (Seller's Certificate), duly executed by Seller.

b. Grant Deed. The Grant Deed conveying the Property to Buyer duly executed by Seller, acknowledged and in recordable form, substantially similar to Exhibit D. Upon receiving said executed Grant Deed, Escrow Holder is instructed to forward a copy of Grant Deed to Buyer so that an original Certificate of Acceptance can be attached.

c. Franchise Tax Board ("FTB") Form 590. A duly executed FTB Form 590 or other evidence that withholding of any portions of the Purchase Price is not required by the Revenue and Taxation Code of California.

d. Closing Costs. Seller's share of Closing Costs.

15. Deposits by Buyer. At least three (3) business days prior to the Close of Escrow, Buyer shall deposit or cause to be deposited with Escrow Holder the following documents and instruments:

a. Funds. The funds which are to be applied toward the payment of the Purchase Price in the amounts and at the times designated in Section 8, plus Buyer's share of Closing costs.

b. Certificate of Acceptance to Grant Deed. An original Certificate of Acceptance, acknowledged and in recordable form, substantially similar to Exhibit E.

16. Closing Costs. The cost and expense of the Title Policy attributable to CLTA coverage shall be paid by Seller. The escrow fees of Escrow Holder shall be paid by Buyer. Each party shall be responsible for their respective legal fees and costs in connection with this transaction.

17. Prorations.

a. Revenues and Expenses. All revenues and all expenses of the Property shall be prorated and apportioned as of 12:01 a.m. on the Closing Date, so that Seller shall bear all expenses with respect to the Property and shall have the benefit of all income with respect to the Property through and including the period preceding the Closing Date. Any revenue or expense amount which cannot be ascertained with certainty as of the Closing Date shall be the subject of a final proration thirty (30) days after the Closing Date or as soon thereafter as the precise amounts can be ascertained. Seller shall deliver a statement setting forth such agreed prorations to Escrow Holder. Escrow Holder shall not be required to calculate any prorations.

b. Treatment of Expenses. Expenses to be prorated shall include water rates and sewer rates, if any; fees under any service contracts; gas, electricity and other utility charges; any unfixed meter charges, if any (apportioned on the basis of the last meter reading); license and permit fees and other expenses customarily prorated. If possible, in lieu of prorating, utilities and other expenses shall be contracted for in the name of Buyer as of the Close of Escrow.

18. Taxes.

a. Property Taxes. Seller shall be liable for all Property taxes affecting the Property until the Close of Escrow. Buyer shall be liable for all Property taxes affecting the Property from and after the Close of Escrow.

b. Payment of Taxes. Buyer shall pay all taxes, including, but not limited to, sales tax or transfer taxes imposed upon the conveyance of the Property to Buyer, if any.

19. Disbursements and Other Actions by Escrow Holder. Upon the Close of Escrow, the Escrow Holder shall promptly undertake all of the following in the manner indicated:

a. Prorations. Prorate all matters referenced herein, based upon the statement delivered into Escrow signed by the parties.

b. Recording. Cause the Grant Deed and any other documents which the parties hereto may mutually direct, to be recorded in the Official Records of Los Angeles County, California ("Official Records").

c. Funds. From funds deposited by Buyer with Escrow Holder, disburse the Option Payment plus the difference between the Purchase Price and the Option Payment to Seller, after deduction for all items chargeable to the account of Buyer, and disburse funds for all items chargeable to the account of Seller in payment of such costs from funds deposited by Seller over and above the Purchase Price; and disburse the balance of such funds, if any, to Buyer.

d. Documents to Buyer. Deliver the Seller's Certificate, executed by Seller, and, when issued, the Title Policy, to Buyer.

e. Documents to Seller. Deliver, when issued, the Title Policy, to Seller.

20. Seller's Representations and Warranties. In consideration of Buyer entering into this Agreement, and as an inducement to Buyer to purchase the Property, Seller makes the following representations and warranties, each of which is material and is being relied upon by Buyer (and the continued truth and accuracy of which shall constitute a condition precedent to Buyer's obligations hereunder).

a. Authorization. This Agreement has been duly and validly authorized, executed and delivered by Seller, and no other action is requisite to the execution and delivery of this Agreement by Seller.

b. Threatened Actions. There are no actions, suits or proceedings pending against, or, to the best of Seller's knowledge, threatened or affecting the Property in law or equity.

c. Third Party Consents. No consents or waivers of, or by, any third party are necessary to permit the consummation by Seller of the transactions contemplated pursuant to this Agreement.

d. Violations of Law. Except as reflected in the documents described in the "List of Delivered Documents" attached hereto and labeled Exhibit C, Seller has not received notice of any outstanding violations, past or present, of any governmental laws, ordinances, rules, requirements or regulations of every governmental agency, body or subdivision thereof bearing on the Property, and Seller has no knowledge or reason to have knowledge of any condition which constitutes such a violation.

e. Condemnation. There are no pending, or, to the best of Seller's knowledge, threatened proceedings in eminent domain or otherwise, which would affect the Property or any portion thereof.

f. Compliance with Law. To the best of Seller's knowledge, all laws, ordinances, rules, and requirements and regulations of every governmental agency, body, or subdivision thereof bearing on the Property have been complied with by Seller.

g. Agreements. There are no agreements (whether oral or written) affecting or relating to the right of any party with respect to the possession of the Property, or any portion thereof, which are obligations which will affect the Property or any portion thereof subsequent to the recordation of the Grant Deed, except as may be reflected in the Title Report, which shall have been approved by Buyer pursuant to the terms of this Agreement.

h. Documents. To the best of Seller's knowledge, all documents delivered to Buyer pursuant to this Agreement are true and correct copies of originals, and any and all information supplied to Buyer by Seller in accordance with Section 4.a is true and correct.

i. Occupancy Agreements. Except for any lease agreements disclosed to Buyer in the Due Diligence Materials, there are no leases, subleases, occupancies or tenancies in effect pertaining to the Property, and Seller has no knowledge of any oral agreements with anyone with respect to the occupancy of the Property.

Seller's representations and warranties made in this Section 20 shall be continuing and shall be true and correct as of the Close of Escrow with the same force and effect as if remade by Seller in a separate certificate at that time. The truth and accuracy of Seller's representations and warranties made herein shall survive the Close of Escrow.

21. Buyer's Representations and Warranties. In consideration of Seller entering into this Agreement, and as an inducement to Seller to sell the Property to Buyer, Buyer makes the following representations and warranties, each of which is material and is being relied upon by Seller (the continued truth and accuracy of which shall constitute a condition precedent to Seller's obligations hereunder):

a. This Agreement has been, and all documents executed by Buyer under this Agreement which are to be delivered to Seller at the time of Close of Escrow will be, duly authorized, executed, and delivered by Buyer, and is, or, as to all documents to be executed by Buyer at the Close of Escrow, will be, legal, valid, and binding obligations of Buyer, and do not, and at the Close of Escrow will not violate any provisions of any agreement or judicial order to which Buyer is a party or to which it is subject.

b. Buyer's representations and warranties made in this Paragraph 21 shall be continuing and shall be true and correct as of the Close of Escrow with the same force and effect as if remade by Buyer in a separate certificate at that time. The truth and accuracy of Buyer's representations and warranties made herein shall survive the Close of Escrow.

22. Hazardous Materials.

a. Definition of Hazardous Materials. For purposes of this Agreement, the term "Hazardous Materials" means any substance, material or waste which is regulated as hazardous/contaminating or potentially hazardous/contaminating by the United States government, the State of California, or any local or other governmental authority, including, without limitation, any material, substance or waste which is (i) defined as a "hazardous waste,"

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"acutely hazardous waste," "restricted hazardous waste," or "extremely hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code; (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code; (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code; (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code; (v) petroleum; (vi) asbestos; (vii) lead; (viii) a polychlorinated biphenyl; (ix) listed under Article 9 or defined as "hazardous" or "extremely hazardous" pursuant to Article 11 of Title 22 of the California Code of Regulations, Chapter 20; (x) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317); (xi) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act (42 U.S.C. Section 6903); (xii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601); (xiii) any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, with respect to which any governmental regulations or requirements provide for special handling in its use, transportation, generation, collection, storage, treatment or disposal; (xiv) any substance, product, waste, or other material of any nature whatsoever which may give rise to liability under any of the above statutes or under any statutory or common law theory based on negligence, trespass, intentional tort, nuisance or strict liability or under any reported decisions of a state or federal court; (xv) petroleum or crude oil other than petroleum and petroleum products which are contained within regularly operated motor vehicles; and (xvi) asbestos.

b. Release. The Seller, and anyone claiming by, through or under the Seller, hereby waives its right to recover from and fully and irrevocably releases the Buyer from any and all claims, responsibility and/or liability that the Seller may now have or hereafter acquire against the Buyer for any costs, loss, liability, damage, expenses, demand, action or cause of action arising from or related to the presence of any Hazardous Materials existing on, in or under the Property on the Close of Escrow. This release includes claims of which the Seller is presently unaware or which the Seller does not presently suspect to exist which, if known by the Seller, would materially affect the Seller's release of the Buyer.

c. Indemnification. To the fullest extent permitted by law, Seller covenants and agrees with the Buyer that neither the Buyer nor its officers, elected and/or appointed officials, employees, representatives, contractors, or counsel (collectively, "the Indemnified Parties") shall be liable for any damage or liability of any kind or for any injury to or death of persons or damage to property of the Seller or any other person from any cause whatsoever directly or indirectly related to or arising out of or proximately caused by any action or failure to act by Seller or its officers, members, employees, consultants, contractors, representatives, or counsel with respect to the presence or clean-up of Hazardous Materials on, in or under the Property on the Close of Escrow. Seller shall, on a joint and several basis, pay for, defend (with counsel approved by the Buyer), indemnify and save Indemnified Parties harmless against and from any real or alleged claims, costs, liabilities and expense (including court costs and reasonable attorneys' fees) directly or indirectly arising out of, or proximately caused by any action, failure to act or condition in connection with the presence or clean-up of Hazardous Materials on, in or under the Property on the Close of Escrow.

23. Reserved.

24. Damage or Condemnation Prior to Close of Escrow. Seller shall promptly notify Buyer of any knowledge by Seller of casualty to the Property or any condemnation proceeding commenced prior to the Close of Escrow. If any such damage or proceeding relates to, or may result in, the loss of any material portion of the Property, Seller or Buyer may, at their option, elect either to:

a. terminate this Agreement, in which event all funds deposited into Escrow by Buyer, except the Option Payment which shall be paid by Escrow Holder to Seller, shall be returned to Buyer and neither party shall have any further rights or obligations hereunder, except those which expressly survive the termination of this Agreement, or

b. continue the Agreement in effect, in which event upon the Close of Escrow, Buyer shall be entitled to any compensation, awards, or other payments or relief resulting from such casualty or condemnation proceeding which accrue or are otherwise payable to Seller.

25. Notices. All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered or sent by registered or certified mail, postage prepaid, return receipt requested, delivered, or sent by facsimile, and shall be deemed received upon the earlier of (a) if personally delivered, the date of delivery to the address of the person to receive such notice, (b) if mailed, four (4) business days after the date of posting by the United States post office, or (c) if given by facsimile, when sent. Any notice, request, demand, direction, or other communication sent by facsimile must be confirmed within forty-eight (48) hours by letter mailed or delivered in accordance with the foregoing:

To Buyer:

Culver City Redevelopment Agency
9770 Culver Boulevard
Culver City, CA 90232-0507
Telephone: (310) 253-5767
Facsimile: (310) 253-5779

With a copy to:

Kane Ballmer & Berkman
515 S. Figueroa Street, Suite 1850
Los Angeles, California 90071
Attention: Susan Y. Cola
Telephone: (213) 617-0480
Facsimile: (213) 625-0931

To Seller:

Richard L. Tapp
4273 Lyceum Avenue
Los Angeles, California 90066
Telephone: (310) 922-0548
Facsimile: (310) 836-8112

Notice of change of address shall be given by written notice in the manner detailed in this paragraph. Rejection or other refusal to accept, or the inability to deliver because of changed address of which no notice was given, shall be deemed to constitute receipt of the notice, demand, request, or communication sent.

26. Legal Fees. In the event either party brings any action or suit against the other party hereunder by reason of any breach of any of the covenants or agreements, or any inaccuracies in any of the representations and warranties on the part of the other party arising out of this Agreement, then the prevailing party in such action or dispute, whether by final judgment or out of court settlement, shall be entitled to have and recover, of and from the other party, all costs and expenses of suit, including reasonable attorney's fees.

27. Reserved.

28. Legal and Equitable Enforcement of this Agreement.

a. Buyer Termination. In addition to the termination rights described in Section 4, this Agreement may be terminated by Buyer without further liability in the event of a material breach by Seller of any term or covenant contained herein, or non-satisfaction of a condition. Upon election by Buyer to terminate this Agreement pursuant to this Section, the Option Payment shall immediately be returned to Buyer, which shall be Buyer's sole remedy other than an action for specific performance.

b. Seller Termination. If Buyer defaults in any obligations hereunder, Seller's sole remedy shall be to terminate this Agreement and retain or receive the Option Payment as liquidated damages for such default ("Liquidated Damages").

c. Specific Performance. Notwithstanding any other provision to the contrary in this Agreement, Buyer does not waive the right to specific performance if permitted by law.

29. Natural Hazard Disclosure Requirement Compliance. Buyer and Seller acknowledge that Seller may be required to disclose if the Property lies within the following natural hazard areas or zones: (i) a special flood hazard area designated by the Federal Emergency Management Agency (California Civil Code Section 1102.17); (ii) an area of potential flooding (California Government Code Section 8589.4); (iii) a very high fire hazard severity zone (California Government Code Section 51183.5); (iv) a wild land area that may contain substantial forest fire risks and hazards (Public Resources Code Section 4136); (v) earthquake fault zone (Public Resources Code Section 2621.9); or (vi) a seismic hazard zone

(Public Resources Code Section 2694) (sometimes all of the preceding are herein collectively called the "Natural Hazard Matters"). Seller has engaged or will engage the services of a third-party (who, in such capacity, is herein called the "Natural Hazard Expert") to examine the maps and other information specifically made available to the public by government agencies for the purposes of enabling Seller to fulfill its disclosure obligations, if and to the extent such obligations exist, with respect to the natural hazards referred to in California Civil Code Section 1102.6a (as amended) and to report the result of its examination to Buyer and Seller in writing.

30. Miscellaneous.

a. Survival of Covenants. The covenants, representations and warranties of both Buyer and Seller set forth in this Agreement shall survive the recordation of the Grant Deed and the Close of Escrow for a period of ten (10) years.

b. Required Actions of Buyer and Seller. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be required in order to consummate the purchase and sale herein contemplated, and shall use their best efforts to accomplish the Close of Escrow in accordance with the provisions hereof.

c. Time of Essence. Time is of the essence of each and every term, condition, obligation, and provision hereof.

d. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

e. Captions. Any captions to, or headings of, the paragraphs or subparagraphs of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

f. Business Days Defined. The term "business days" shall mean Mondays through Fridays, excluding public holidays.

g. No Obligations to Third Parties. Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the parties hereto, to any person or entity other than the parties hereto.

h. Recitals and Exhibits. The Recitals and Exhibits attached hereto are hereby incorporated herein by this reference.

i. Amendment to this Agreement. The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

j. Waiver. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

k. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

l. Fees and Other Expenses. Except as otherwise provided herein, each of the parties shall pay its own fees and expenses in connection with this Agreement.

m. Entire Agreement. This Agreement supersedes any prior agreements, negotiations, and communications, oral or written, and contains the entire agreement between Buyer and Seller as to the subject matter hereof. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, or representative of either party shall be of any effect unless it is in writing and executed by the party to be bound thereby.

n. Successors and Assigns. Subject to Section 27, this Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

o. Severability. In the event that any provision of this Agreement or the application thereof becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of this Agreement will continue in full force and effect and the application of such provision to other persons or circumstances will be interpreted so as reasonably to effect the intent of the parties hereto. The parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.

31. Indemnification of Escrow Holder.

a. If this Agreement or any matter relating hereto shall become the subject of any litigation or controversy, Buyer and Seller agree, jointly and severally, to hold Escrow Holder free and harmless from any loss or expense, including attorney's fees, that may be suffered by it by reason thereof except for losses or expenses as may arise from Escrow Holder's negligent or willful misconduct. If conflicting demands are made or notices served upon Escrow Holder with respect to this Agreement, the parties expressly agree that Escrow Holder shall be entitled to file a suit in interpleader and obtain an order from the court requiring the parties to interplead and litigate their several claims and rights among themselves. Upon the filing of the action in interpleader, Escrow Holder shall be fully released and discharged from any obligations imposed upon it by this Agreement, and

b. Escrow Holder shall not be liable for the sufficiency or correctness as to form, manner, execution, or validity of any instrument deposited with it, nor as to the identity, authority or rights of any person executing such instrument, nor for failure of Buyer or Seller to comply with any of the provisions of any agreement, contract or other instrument filed with Escrow Holder, or referred to herein. Escrow Holder's duties hereunder shall be limited to the safekeeping of all monies, instruments, or other documents received by it as Escrow Holder, and for their disposition in accordance with the terms of this Agreement.

[signatures on following page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

Dated: 3/6/07

"Buyer"
CULVER CITY REDEVELOPMENT AGENCY

By Jerry Fulwood

Jerry Fulwood
Executive Director

APPROVED AS TO FORM:

KANE BALLMER BERKMAN

Murray O. Kane

Murray O. Kane
General Counsel

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Dated: 2/23/07

"Seller"
RICHARD L. TAPP, an individual

By Richard L. Tapp
Richard L. Tapp
Owner

Acceptance by Escrow Holder:

First American Title Company hereby acknowledges that it has received a fully executed counterpart of the foregoing Option Agreement for Purchase and Sale and Joint Escrow Instructions and agrees to act as Escrow Holder thereunder and to be bound by and perform the terms thereof as such terms apply to Escrow.

Dated:______________________________

FIRST AMERICAN TITLE COMPANY

By: ______________________________

____
Its
____

State of California
County of Los Angeles
On February 23, 2007 before me, Cheryl Lynn Moore,
(here insert name and title of the officer)
personally appeared Richard L. Tripp,
personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Cheryl Lynn Moore

CHERYL LYNN MOORE
Commission # 1676390
Notary Public - California
Los Angeles County
My Comm. Expires Jun 19, 2010

(Seal)

ACKNOWLEDGMENT

STATE OF CALIFORNIA
COUNTY OF Los Angeles
On March 6, , 2007 before me, Cheryl Lynn Moore (here insert name and title of the officer), personally appeared Jerry Fulwood , proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Cheryl Lynn Moore (Seal)

CHERYL LYNN MOORE
Commission # 1676390
Notary Public - California
Los Angeles County
My Comm. Expires Jun 19, 2010

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EXHIBIT A
LEGAL DESCRIPTION

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

Lot 3 of Tract 9648, as shown on a map recorded in book 142, pages 13, inclusive of Miscellaneous Maps, records of Los Angeles County, California.

More commonly known as 11054 Washington Boulevard, Culver City, CA.

Assessor's Parcel Number: 4213-007-002

EXHIBIT B
EXERCISE NOTICE
(attached)

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EXHIBIT B
FORM OF EXERCISE NOTICE

Richard L. Tapp
4273 Lyceum Avenue
Los Angeles, California 90066

Attn: Richard L. Tapp, President

Re: Option Agreement for Purchase and Sale and Joint Escrow Instructions, dated ______________, Agreement") by and between Culver City Redevelopment Agency ("Buyer") and Richard Tapp ("Seller")

Dear Mr. Tapp:

This letter constitutes the Exercise Notice contemplated by the above-referenced Agreement and is delivered to exercise Buyer's option granted under the Agreement to purchase the Property (as defined in the Agreement) on the terms and for the price stated in the Agreement.

Very truly yours,

CULVER CITY REDEVELOPEMNT AGENCY

By:______________________________

Name:____________________________

Title:_____________________________

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EXHIBIT C
LIST OF DELIVERED DOCUMENTS

Document Name	Document Date	Prepared By
No documents delivered to Agency by Seller		

EXHIBIT D

GRANT DEED

Recording Requested By and
When Recorded Mail to:

Culver City Redevelopment Agency
9770 Culver Boulevard
Culver City, CA 90232-0507
Attn: John Fisanotti

MAIL TAX STATEMENTS TO:

same as above

GRANT DEED

Assessor Parcel Number: 4213-007-002

In accordance with Section 11932 of the California Revenue and Taxation Code, Grantor has declared the amount of the transfer tax which is due by a separate statement which is not being recorded with this Grant Deed.

For valuable consideration, receipt of which is acknowledged, Richard L. Tapp, an individual ("**Grantor**"), hereby grants to Culver City Redevelopment Agency, a public body, existing under the laws of the State of California ("**Grantee**"), the real property in the City of Culver City, County of Los Angeles, State of California, described in Exhibit "A" attached hereto and made a part hereof (the "**Property**").

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IN WITNESS WHEREOF, Grantor has caused this instrument to be executed by its hereunto duly authorized.

Dated: ___________, 20__.

______________________________,
____

[EXHIBIT ONLY]

By: ______________________________
Name______________________________
Title: ______________________________

By:______________________________
Name: ______________________________
Title: ______________________________

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State of California

County of ______________________

On ______________ before me, ____,

(here insert name and title of the officer)

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

WITNESS my hand and official seal.

Signature ____________________________________

(Seal)

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EXHIBIT "A"
TO
GRANT DEED

LEGAL DESCRIPTION

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

Lot 3 of Tract 9648, as shows on a map recorded in book 142, pages 13, inclusive of Miscellaneous Maps, records of Los Angeles County, California.

More commonly known as 11054 Washington Boulevard, Culver City, CA.

Assessor's Parcel Number: 4213-007-002

EXHIBIT E
CERTIFICATE OF ACCEPTANCE

Pursuant to California Government Code Section 27281, this is to certify that the interest in real property conveyed by this Grant Deed dated [_________], 2007, from Richard Tapp, an individual ("Grantor"), to the Redevelopment Agency of Culver City ("Grantee"), is hereby accepted pursuant to authority conferred by the Culver City Redevelopment Agency on [date], via Resolution [#], and the Grantee consents to recordation thereof by its duly authorized officer.

Dated: _______________, 2007

CULVER CITY REDEVELOPMENT AGENCY

By: _______________________________
Its: _______________________________

ATTACHMENT NO. 2