

GLENDALÉ UNIFIED SCHOOL DISTRICT
223 North Jackson Street
Glendale, California 91206
(818) 241-3111

BOARD OF EDUCATION
AGENDA

October 24, 2017
Meeting No. 11
Special Meeting

GLENDALE UNIFIED SCHOOL DISTRICT
223 North Jackson Street
Glendale, California 91206
(818) 241-3111

BOARD OF EDUCATION SPECIAL MEETING NO. 11
Administration Center

October 24, 2017
9:00 A.M.

In compliance with Education Code 35144, the presiding officer of the Board of Education is calling a Special meeting on Tuesday, October 24, 2017 at 9:00 A.M. in the Boardroom at the Administration Center, 223 North Jackson Street, Glendale.

In accordance with the Americans with Disabilities Act (ADA) the District will provide accommodations, with reasonable advanced notice, for any individual with a disability needing to access the information herein. Please contact the Glendale Unified School District Public Information Office to request such accommodations.

AGENDA

ITEM

A. OPENING – 9:00 A.M.

- 1. Call to Order and Roll Call**
- 2. Pledge of Allegiance**
- 3. Certification of Compliance**

To accommodate the requirement of Government Code Section 54954.2 in accordance with the Brown Act revisions; the agenda for the meeting was posted on the bulletin board in the Administration Center and the Glendale Unified School District website 24 hours prior to this meeting.

4. Approval of Agenda Order

B. COMMUNICATIONS FROM PUBLIC - (on Closed Session items only)

1. Public Communications

ADDRESSING THE BOARD OF EDUCATION—An individual or group representative may address the Board of Education on any agenda item or subject within its jurisdiction by completing a request card. Speakers are requested to state their name and address prior to speaking to the Board. Not more than five minutes may be allotted to each speaker and no more than twenty minutes to each subject, except by unanimous consent of the Board of Education. Board Members may question the speaker but there will be no debate or decision. The Superintendent may refer the matter to the proper department for review.

C. CLOSED SESSION

- 1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS pursuant to Government Code 54956.8**
Property: Approximately 40,000 square feet of real property, referred to as a portion of the District Office Site, located at 223 N. Jackson Street, Glendale, California 91206 (Property)
Negotiating Parties: Glendale Unified School District (Proposed Exchangor), Winfred Roberson, Superintendent, Constance Schwindt, Atkinson, Andelson, Loya, Rudd & Romo, and property consultant Sam S. Manoukian, RE/MAX; and one or more representatives from Carmel Partners which may acquire the Property through an exchange agreement pursuant to applicable California law (Proposed Exchange)
Under Negotiation: Instructions to negotiators will concern price and terms of payment as related to the possible exchange of the identified Property

D. RETURN TO REGULAR MEETING

1. Call to Order

E. COMMUNICATIONS FROM PUBLIC – (on agenda item only)

1. Public Communications

ADDRESSING THE BOARD OF EDUCATION—An individual or group representative may address the Board of Education on any agenda item or subject within its jurisdiction by completing a request card. Speakers are requested to state their name and address prior to speaking to the Board. Not more than five minutes may be allotted to each speaker and no more than twenty minutes to each subject, except by unanimous consent of the Board of Education. Board Members may question the speaker but there will be no debate or decision. The Superintendent may refer the matter to the proper department for review.

F. ACTION

1. Resolution No. 10 - Intention to Exchange District Real Property with Carmel Partners and Amendment to Exchange Agreement between Glendale Unified School District and Carmel Partners Realty Investors, LLC

4

The Superintendent recommends that the Board of Education adopt Resolution No. 10 - Intention to Exchange District Real Property with Carmel Partners and an amendment to the Exchange Agreement between Glendale Unified School District and Carmel Partners Realty Investors, LLC.

G. ADJOURNMENT

GLENDALE UNIFIED SCHOOL DISTRICT

October 24, 2017

ACTION REPORT NO. 1

TO: Board of Education

FROM: Winfred B. Roberson, Superintendent

PREPARED BY: Stephen Dickinson, Chief Business and Financial Officer

SUBJECT: **Resolution No. 10 - Intention to Exchange District Real Property with Carmel Partners and Amendment to Exchange Agreement between Glendale Unified School District and Carmel Partners Realty Investors, LLC**

The Superintendent recommends that the Board of Education adopt Resolution No. 10 - Intention to Exchange District Real Property with Carmel Partners and an amendment to the Exchange Agreement between Glendale Unified School District and Carmel Partners Realty Investors, LLC.

Discussion:

The Board of Education, by way of a Board resolution, previously declared its intention to exchange District owned property located at 223 N. Jackson Street, Glendale, California ("District Property") for the property owned, or will be owned, by Carmel Partners located 425 East Colorado Street, Glendale, California ("Carmel Property") pursuant to Education Code section 17536 et seq. (the "Exchange Resolution"). The Board of Education, at its meeting on August 15, 2017, approved an Exchange Agreement between Glendale Unified School District and Carmel Partners Realty Investors, LLC providing for the exchange of the District Property with the Carmel Property. The District has determined that it is necessary to include a second property owned by the District which is located at 316 W. Palmer Avenue, Glendale, California ("Palmer Property") and to amend the Exchange Agreement to include the Palmer Property as part of the exchange of the District Office Property for the Carmel Partners Property along with certain amendments to the terms of the Exchange Agreement pursuant to the proposed Amendment No. 4 to the Exchange Agreement.

GLENDALE UNIFIED SCHOOL DISTRICT

RESOLUTION NO. 10

RESOLUTION OF INTENTION TO EXCHANGE DISTRICT REAL PROPERTY WITH CARMEL PARTNERS; APPROVAL OF AMENDMENT NO. 4 TO EXCHANGE AGREEMENT

WHEREAS, the Glendale Unified School District ("District") owns a fee simple interest in approximately 0.64 acres of improved land, with a multi-family building consisting of 12,064 square feet, located at 316 W. Palmer Avenue, in the City of Glendale, County of Los Angeles, State of California which is generally known as the Palmer site and is more particularly described on Exhibit "A" attached hereto and incorporated herein by reference ("Palmer Property"); and

WHEREAS, the District owns a fee simple interest in approximately 2.41 acres of improved land, with a building consisting of 40,000 square feet, located at 223 N. Jackson Street, in the City of Glendale, County of Los Angeles, State of California which is generally known as the District Office site and is more particularly described on Exhibit "B" attached hereto and incorporated herein by reference ("District Office Property"); and

WHEREAS, Carmel Partners Realty Investors, LLC ("Carmel Partners") owns, or will own, a fee simple interest in approximately 44,651 square feet of improved land, with a building consisting of 116,505 square feet, located at 425 East Colorado Street, in the City of Glendale, County of Los Angeles, State of California which is more particularly described on Exhibit "C" attached hereto and incorporated herein by reference ("Carmel Partners Property"); and

WHEREAS, Education Code Section 17536, et. seq. provides that the governing board of a school district, upon a two-thirds vote of its members, may exchange any of its real property for real property of another person or private business firm upon such terms and conditions as the parties thereto may agree, without complying with any of the disposal of surplus property provisions set forth in the Education Code; and

WHEREAS, the Governing Board of the Glendale Unified School District ("Board") previously approved Resolution No. 8 which authorized the District to exchange the District Office Property with the Carmel Partners Property pursuant to an Exchange Agreement between the District and the Carmel Partners to be negotiated and brought to the Governing Board for approval at a meeting of the Governing Board;

WHEREAS, the Board, at its meeting on August 15, 2017, approved that certain Exchange Agreement And Joint Escrow Instructions dated August 16, 2017 between the District and Carmel Partners, as amended by Amendment No. 1 to Exchange Agreement And Joint Escrow Instructions dated September 20, 2017, Amendment No. 2 to Exchange Agreement And Joint Escrow Instructions dated October 5, 2017, and Amendment No. 3 to Exchange Agreement And Joint Escrow Instructions dated October 12, 2017 (collectively, the "Exchange Agreement") which authorized the District to exchange the District Office Property with the Carmel Partners Property;

WHEREAS, the District desires to include the Palmer Property as part of the exchange of the District Office Property for the Carmel Partners Property; and

WHEREAS, the District desires to amend the Exchange Agreement to include the Palmer Property as part of the exchange of the District Office Property for the Carmel Partners Property along with certain amendments to the terms of the Exchange Agreement pursuant to Amendment No. 4 to the Exchange Agreement, attached hereto and incorporated herein as Exhibit "D".

NOW, THEREFORE, the Governing Board of the Glendale Unified School District hereby finds, determines, declares, orders and resolves as follows:

Section 1. That all of the recitals set forth above are true and correct, and the Board so finds and determines.

Section 2. That the Palmer Property shall be exchanged, together with the District Office Property, with the Carmel Partners Property pursuant to the Exchange Agreement.

Section 3. That Amendment No. 4 to the Exchange Agreement is hereby approved.

Section 4. That the District's Superintendent and Assistant Superintendent, Business Services are authorized and directed to do any and all things and to negotiate, execute and deliver any and all documents which, in consultation with staff and District's legal counsel, they may deem necessary or advisable in order to effectuate the purpose and intent of this Resolution, including but not limited to, the execution of Amendment No. 4 to the Exchange Agreement, and any such actions previously taken by such officers are hereby approved, ratified and confirmed.

Section 5. That this Resolution shall take effect upon adoption.

//

//

//

ADOPTED, SIGNED AND APPROVED this 10th day of October 2017.

President of the Governing Board for the
Glendale Unified School District

I, Jennifer Freemon, Clerk of the Governing Board of Glendale Unified School District, do hereby certify that the foregoing Resolution was adopted by the Governing of said District at a meeting of said Board held on the 10th day of October 2017, and that it was so adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Clerk of the Governing Board of Glendale Unified
School District

EXHIBIT "A"

LEGAL DESCRIPTION OF PALMER PROPERTY

Portion of Lot 17, Watt's Subdivision of a part of Rancho San Rafael, Map recorded in Book 5, Pages 200 and 201, in the office of the County Recorder. Refer to the Los Angeles County Assessor records for a more in depth legal description

Larger Parcel APN(s): 5640-006-900

EXHIBIT "B"

LEGAL DESCRIPTION OF DISTRICT OFFICE PROPERTY

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

PARCEL 1:

LOTS 3, 5, AND 7, IN BLOCK 7 OF THE TOWN OF GLENDALE, IN THE CITY OF GLENDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 14 PAGES 95 AND 96 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2:

LOTS 9, 11, 13, 15, 17, 19, 20, 21, 22, 23, AND 24, INCLUSIVE, IN BLOCK 7 OF THE TOWN OF GLENDALE, IN THE CITY OF GLENDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 14 PAGES 95 AND 96 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH THAT PORTION OF THE VACATED ALLEY IN SAID BLOCK 7 AS SHOWN ON SAID MAP OF THE TOWN OF GLENDALE, BOUNDED ON THE NORTH BY THE EASTERLY PROLONGATION OF THE NORTHERLY LINE OF LOT 10 AND BOUNDED ON THE SOUTH BY THE EASTERLY PROLONGATION OF THE SOUTHERLY LINE OF SAID LOT 24.

EXCEPTING THEREFROM THE NORTHERLY 12 FEET OF SAID ALLEY.

APN: 5642-017-901, 5642--017-902, 5642-017-903 and 5642-017-904

EXHIBIT "C"

LEGAL DESCRIPTION OF THE CARMEL PARTNERS PROPERTY

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

LOTS 13, 15, 17, 19, 20 AND 21 OF BLOCK 50 OF THE GLENDALE TRACT, IN THE CITY OF GLENDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 21 PAGE 96 OF MISCELLANEOUS RECORDS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING FROM LOT 15 ALL OIL AND MINERAL RIGHTS AS RESERVED IN DEED RECORDED JULY 17, 1977, AS INSTRUMENT NO. 77-641504.

APN: 5642-010-046

EXHIBIT "D"

AMENDMENT NO. 4 TO THE EXCHANGE AGREEMENT

[To Be Inserted]

**AMENDMENT NO. 4 TO EXCHANGE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**

This Amendment to Exchange Agreement and Joint Escrow Instructions (“**Amendment No. 4**”) between the Glendale Unified School District (“**District**”) and Carmel Partners Realty Investors, LLC (“**Carmel Partners**”) (collectively, the “**Parties**”) is hereby made and entered into as of October __, 2017 (“**Effective Date**”) as follows:

WHEREAS, District and Carmel Partners have entered into the Exchange Agreement and Joint Escrow Instructions dated August 16, 2017, as amended by that certain Amendment No. 1 to Exchange Agreement and Joint Escrow Instructions dated September 20, 2017, that certain Amendment No. 2 to Exchange Agreement and Joint Escrow Instructions dated October 5, 2017, and that certain Amendment No. 3 to Exchange Agreement and Joint Escrow Instructions dated October 12, 2017 (collectively, the “**Exchange Agreement**”) for the exchange of that certain real property owned by the District located at 223 N. Jackson Street, in the City of Glendale, County of Los Angeles, State of California which is generally known as the District Office site (the “**District Office Property**”) for the Carmel Property (as defined in the Exchange Agreement), both as more particularly described as set forth in the Exchange Agreement; and

WHEREAS, the District owns a fee simple interest in approximately 0.64 acres of improved land, with a multi-family building consisting of approximately 12,064 square feet, located at 316 W. Palmer Avenue, in the City of Glendale, County of Los Angeles, State of California which is generally known as the Palmer site and is more particularly described on Exhibit “A” attached hereto and incorporated herein by reference (the “**Palmer Property**”); and

WHEREAS, the parties acknowledge that for purposes of the exchange contemplated by the Exchange Agreement, the value of (a) the Carmel Property is Twenty-Nine Million Dollars (\$29,000,000); (b) the District Office Property is Twenty Million Dollars (\$20,000,000); and (c) the Palmer Property is Four Million Dollars (\$4,000,000); and

WHEREAS, the Parties have agreed to include the Palmer Property as part of the exchange of the District Office Property for the Carmel Property, and to pay the Five Million Dollars (\$5,000,000) difference (the “**\$5 Million Difference**”) between the Carmel Property, on one hand, and the District Office Property and the Palmer Property, on the other hand, all pursuant to the terms and conditions set forth in the Exchange Agreement except as other set forth herein; and

WHEREAS, the Palmer Property and the \$5 Million Difference to be paid by the District pursuant to the terms of this Amendment No. 4 constitute the Additional Consideration as described in the Exchange Agreement; and

WHEREAS, the Parties have agreed upon the form of the Lease Back Agreement, attached hereto as Exhibit “C”, as part of the Exchange Agreement and which shall be executed at the Close of Escrow in accordance with the terms of the Exchange Agreement; and

WHEREAS, Section 8.11 of the Exchange Agreement requires that any amendment or modification to the Exchange Agreement must be in writing and executed by both Parties.

NOW, THEREFORE, in consideration of the Recitals set forth above, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as set forth below.

1. Recital A: Add the additional language to Recital A of the Exchange Agreement as follows:

The District Property shall also include that certain real property of approximately 0.64 acres of improved land, with a multi-family building consisting of approximately 12,064 square feet, located at 316 W. Palmer Avenue, in the City of Glendale, County of Los Angeles, State of California which is generally known as the Palmer site (the "**Palmer Property**") and is more particularly described on Exhibit "A" of the Amendment No. 4 to the Exchange Agreement and Joint Escrow Instructions dated October ____, 2017.

2. District Office Property Legal Description. Exhibit "A-1" to the Exchange Agreement (District Property) is replaced with the legal description attached hereto as Exhibit "B".

3. Closing Conditions: Add the following closing condition to Section 4.1 of the Exchange Agreement:

4.1.7 Current Owner's Performance. Prior to the Closing of the Exchange Agreement, the Current Owner shall not have entered into any new lease or modified any lease affecting the Carmel Property (except pursuant to the exercise by a tenant of a renewal, extension or expansion option or other right expressly contained in such tenant's lease); provided that Current Owner's entering into any such prohibited new lease or modification shall be subject to all applicable notice and cure periods provided for in the Underlying Agreement.

4. \$5 Million Difference. District shall pay the \$5 Million Difference to Carmel in cash at the Close of Escrow.

5. Memorandum of Payment Upon Default. Within two (2) business days after the date of this Amendment No. 4, the Parties shall execute, acknowledge, and cause to be recorded against the District Office Property and the Palmer Property, a Memorandum of Payment Upon Default, in the form attached hereto as Exhibit "D".

6. Lease Back Agreement. The Parties have agreed upon the form of the Lease Back Agreement, attached hereto as Exhibit "C", which Lease Back Agreement shall be executed at the Close of Escrow in accordance with the terms of the Exchange Agreement:

7. District Support of Entitlements. District shall, and shall cause its consultants, representatives, and advisers to, use best efforts to fully cooperate with and support Carmel in connection with Carmel's efforts to obtain all entitlements and/or approvals that Carmel desires with respect to the District Office Property ("**Carmel Entitlements**"). Such cooperation shall

survive the Close of Escrow for a period of two (2) years and be at no unreimbursed out-of-pocket cost or expense to the District, and shall include, without limitation, executing any and all documents reasonably required by the City or any other governmental or quasi-governmental agency or authority with jurisdiction over the proposed Carmel Entitlements in connection therewith and supporting the Carmel Entitlements. While not a condition to Closing, District and Carmel acknowledge and agree that during Escrow, Carmel intends to develop and process entitlements and approvals related to Carmel's development of the District Office Property. Notwithstanding the District's cooperation obligations described in this Section, Carmel shall remain responsible for any and all Carmel Entitlements, including all expenses relating to obtaining Carmel Entitlements. Carmel shall have the sole and absolute discretion to accept or reject any and all exactions, conditions, fees, requirements or other obligations imposed or proposed by the City or any other governmental or quasi-governmental agency or authority with jurisdiction over the proposed Carmel Entitlements. The foregoing shall not be construed to make obtaining the Carmel Entitlements a condition to the Close of Escrow.

Carmel and District acknowledge and agree that District shall not have any approval rights with respect to the Carmel Entitlements or Carmel's processing thereof, nor shall District be committed to provide any opinion or analysis related to any of the Carmel Entitlements or processing thereof. With respect to the Carmel Entitlements or Carmel's processing thereof, Carmel shall not have the right to commit the District Office Property to having to pay, or being liable for, any fee, tax or other charge prior to the Close of Escrow.

The terms and provisions of this Section 7 shall survive the Close of Escrow.

8. District Waiver and Release.

(a) Upon request by District, and solely as an accommodation to District, Carmel made available to District certain third-party consultants and advisors who have assisted, and may continue to assist, District with its due diligence investigations of the Carmel Property, including, without limitation, assisting District to determine building layouts and estimated build-out costs with respect to the Carmel Property. District acknowledges and agrees that Carmel makes no representation or warranty, expressed or implied, with respect to, and District assumes all risk of any kind with regard to the use of and reliance upon, such consultants and advisors, including, without limitation, the information, drawings, work product, data, analyses, estimates, or other conclusions or recommendations of such consultants and advisors (collectively, the "**Consultants and Related Work Product**"). No issue relating to the Consultants and Related Work Product shall deemed grounds for breach or default of Carmel under the Exchange Agreement, as amended hereby.

(b) DISTRICT, ON BEHALF OF ITSELF AND ITS SUCCESSORS AND ASSIGNS, HEREBY RELEASES CARMEL AND ITS PRINCIPALS, MEMBERS, EMPLOYEES, OFFICERS, DIRECTORS, AGENTS AND PARTNERS FROM, AND WAIVES ANY AND ALL LIABILITIES AGAINST CARMEL AND ITS PRINCIPALS, MEMBERS, EMPLOYEES, OFFICERS, DIRECTORS, AGENTS AND PARTNERS FOR OR ATTRIBUTABLE TO OR IN CONNECTION WITH THE CONSULTANTS AND RELATED WORK PRODUCT, WHETHER ARISING OR ACCRUING BEFORE, ON OR AFTER THE

DATE OF THIS AMENDMENT NO. 4 AND WHETHER ATTRIBUTABLE TO EVENTS OR CIRCUMSTANCES WHICH HAVE HERETOFORE OR MAY HEREAFTER OCCUR.

(c) WITH RESPECT TO THE RELEASES AND WAIVERS SET FORTH IN THIS SECTION 8, DISTRICT EXPRESSLY WAIVES THE BENEFITS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES AS FOLLOWS:

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

DISTRICT HAS BEEN ADVISED BY ITS LEGAL COUNSEL AND UNDERSTANDS THE SIGNIFICANCE OF THIS WAIVER OF SECTION 1542 RELATING TO UNKNOWN, UNSUSPECTED AND CONCEALED CLAIMS. BY ITS INITIALS BELOW, DISTRICT ACKNOWLEDGES THAT IT FULLY UNDERSTANDS, APPRECIATES AND ACCEPTS ALL OF THE TERMS OF SECTION 8 OF THIS AMENDMENT NO. 4.

DISTRICT'S INITIALS: _____

(d) The terms and provisions of this Section 8 shall survive the Close of Escrow.

9. District's Specific Performance Remedy. For clarification, and notwithstanding anything in the Exchange Agreement to the contrary, District's specific performance remedy describe in Section 6.1 of the Exchange Agreement shall exist only if Carmel has acquired the Carmel Property.

10. District Default Reimbursement Amount. The third (3rd) paragraph of Section 6.1 of the Exchange Agreement is hereby replaced in its entirety with the following:

In the event of a termination of this Agreement by District pursuant to clause (ii) immediately above, Carmel shall pay to the District on demand, for District's third-party out of pocket costs and expenses incurred in connection with this Agreement, up to an amount not to exceed TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00) (the "**District Default Reimbursement Amount**"), and thereafter neither Party will have any further rights or obligations hereunder except those which are expressly stated to survive such termination.

11. Other Terms of Exchange Agreement: In addition to the revisions to the Exchange Agreement stated herein, the terms of the Exchange Agreement shall be deemed revised, as appropriate, to reflect the inclusion of the Palmer Property as part of the District Property.

12. Telecopy, Email and Fax Notices. Section 8.3 of the Exchange Agreement is clarified such that notices sent by telecopy, email or fax transmission need only be followed by

a hard copy of such transmission sent on the same day (i.e., such follow-up hard copy need not be delivered to arrive on the same day as the notice sent by telecopy, email or fax transmission).

13. Capitalized Terms: Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Exchange Agreement.

14. Binding Effect; Partial Invalidity. This Amendment No. 4 shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns. If any provision of this Amendment No. 4 shall be held invalid or unenforceable by a court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of this Amendment No. 4 or the Exchange Agreement.

15. Full Force and Effect. The Exchange Agreement is hereby modified with respect to the terms set forth in this Amendment No. 4, and any other portion thereof as necessary to implement the foregoing. Except as specifically set forth in this Amendment No. 4, the Exchange Agreement shall remain unmodified and in full force and effect as executed by the Parties.

16. Counterparts. This Amendment No. 4 may be executed and delivered in any number of counterparts, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument.

17. Inconsistencies. In the event of any inconsistency between the terms of this Amendment No. 4 and those of the Exchange Agreement, Amendment No. 4 shall control, then the Exchange Agreement, in that order.

[signature page follows]

IN WITNESS WHEREOF, District and Carmel Partners have, by their duly authorized representatives, executed this Amendment No. 4, as of the Effective Date set forth above, and agree that this Amendment No. 4 shall constitute binding modifications to the Exchange Agreement.

DISTRICT:

CARMEL PARTNERS:

GLENDALÉ UNIFIED SCHOOL DISTRICT

CARMEL PARTNERS REALTY INVESTORS, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT "A"

LEGAL DESCRIPTION OF PALMER PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF GLENDALE, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THAT PORTION OF LOT 17 OF WATTS SUBDIVISION OF A PORTION OF THE RANCHO SAN RAFAEL, IN THE CITY OF GLENDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 5 PAGES 200 AND 201 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTH LINE OF SAID LOT 17 AT THE NORTHWEST CORNER OF TRACT NO. 4559, AS PER MAP RECORDED IN BOOK 48 PAGE 68 OF MAPS, RECORDS OF SAID COUNTY, SAID CORNER BEING ALSO THE SOUTHEAST CORNER OF THE LAND DESCRIBED IN THE DEED TO THE GLENDALE CITY SCHOOL DISTRICT, RECORDED IN BOOK 2551 PAGE 369 OF OFFICIAL RECORDS OF SAID COUNTY; THENCE ALONG THE EASTERLY LINE THEREOF, NORTH 0° 08' WEST 140 FEET TO THE NORTHEAST CORNER THEREOF, BEING THE SOUTHWEST CORNER OF PARCEL 2 OF THE LAND DESCRIBED IN THE DEED TO THE CITY OF GLENDALE, RECORDED IN BOOK 2744 PAGE 126 OF OFFICIAL RECORDS OF SAID COUNTY; THENCE ALONG THE SOUTH LINE THEREOF, NORTH 89° 52' EAST 200.00 FEET TO A POINT; THENCE PARALLEL WITH THE EASTERLY LINE OF SAID GLENDALE CITY SCHOOL DISTRICT, SOUTH 0° 08' EAST 140 FEET TO THE SOUTH LINE OF SAID LOT 17; THENCE ALONG THE SAID SOUTH LINE SOUTH 89° 52' WEST 200.00 FEET TO THE POINT OF BEGINNING.

APN: 5640-006-900

EXHIBIT "B"

LEGAL DESCRIPTION OF DISTRICT OFFICE PROPERTY

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

PARCEL 1:

LOTS 3, 5, AND 7, IN BLOCK 7 OF THE TOWN OF GLENDALE, IN THE CITY OF GLENDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 14 PAGES 95 AND 96 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2:

LOTS 9, 11, 13, 15, 17, 19, 20, 21, 22, 23, AND 24, INCLUSIVE, IN BLOCK 7 OF THE TOWN OF GLENDALE, IN THE CITY OF GLENDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 14 PAGES 95 AND 96 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH THAT PORTION OF THE VACATED ALLEY IN SAID BLOCK 7 AS SHOWN ON SAID MAP OF THE TOWN OF GLENDALE, BOUNDED ON THE NORTH BY THE EASTERLY PROLONGATION OF THE NORTHERLY LINE OF LOT 10 AND BOUNDED ON THE SOUTH BY THE EASTERLY PROLONGATION OF THE SOUTHERLY LINE OF SAID LOT 24.

EXCEPTING THEREFROM THE NORTHERLY 12 FEET OF SAID ALLEY.

APN: 5642-017-901, 5642--017-902, 5642-017-903 and 5642-017-904

EXHIBIT "C"

FORM OF LEASE BACK AGREEMENT

[To Be Inserted]

LEASE AGREEMENT

This LEASE AGREEMENT (“**Agreement**”) is entered into as of the ___ day of _____, 2018 (the “**Effective Date**”) [Note: Insert closing date under Exchange Agreement], by and between CARMEL PARTNERS REALTY INVESTORS, LLC, a Delaware limited liability company (“**Lessor**”), and GLENDALE UNIFIED SCHOOL DISTRICT, a public school district of the State of California (“**Lessee**”). Lessor and Lessee are sometimes referred to singularly as a “**Party**” and collectively as the “**Parties.**”

RECITALS

WHEREAS, the Parties entered into that certain Exchange Agreement and Joint Escrow Instructions dated August 16, 2017 (as amended from time to time, the “**Purchase Agreement**”), in which Lessor acquired real property from Lessee, which is approximately 2.41 acres of land improved with (i) an office building consisting of 40,000 square feet located at 223 N. Jackson Street and (ii) a multifamily building consisting of 6,298 square feet located at 241 N. Jackson Street, in the City of Glendale, County of Los Angeles, State of California, which is generally known as the District Office site (“**Overall Property**”);

WHEREAS, as a result of the Purchase Agreement, Lessor is currently the owner of the Overall Property, and intends to entitle, develop and construct a new project on the Overall Property;

WHEREAS, as set forth in Section 3.2 of the Purchase Agreement, in order to accommodate Lessee’s vacation and surrender of the Overall Property, the Parties agreed to enter into a lease whereby Lessor would lease back a portion of the Overall Property (the “**Property**,” as more particularly described and depicted in the attached Exhibit “A”) to the Lessee for a limited period of time, at fair market value, to allow Lessee to transition its administrative activities to a new property;

NOW, THEREFORE, in consideration of the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties hereto, and the Parties hereto intending to be legally bound hereby, agree as follows:

AGREEMENT

1. Possession. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Property defined in the Recitals above which includes the land together with all improvements situated upon the Property as depicted on Exhibit “A”. Such lease is upon, and subject to, the terms, covenants and conditions herein set forth and each party covenants, as a material part of the consideration for this Agreement, to keep and perform their respective obligations under this Agreement. For the avoidance of doubt, the Property does not include the adjacent multifamily apartment building and related parking areas.

Subject to the requirements set forth herein, Lessor reserves the right from time to time to do any of the following: (a) construct or alter buildings or improvements on the Property; (b) make any changes, additions, improvements, repairs or replacements in or to the Property and the fixtures

and equipment thereof; and (c) perform such other acts and make such other changes with respect to the Property, as Lessor may, in the exercise of good faith business judgment, deem to be appropriate, including, without limitation, investigations and entitlement work related to proposed future demolition and construction to occur on the Overall Property (collectively, Lessor's access and work on the Property, as set forth in this section, shall be referred to as "**Lessor's Access Work**"). The Parties shall reasonably establish a mutually acceptable schedule for Lessor's Access Work that will allow Lessor to complete its work. Other than in accordance with such approved schedule, in an emergency, or otherwise in accordance with the terms and conditions of this Agreement, Lessor shall not enter the Property pursuant to this Section without the prior written consent of Lessee which shall not be unreasonably withheld. In exercising such entry rights with respect to Lessor's Access Work, Lessor shall endeavor to minimize, to the extent reasonably practicable, the interference with Lessee's business, and shall provide Lessee with reasonable advance notice (oral or written) of such entry. Subject to the approval requirements stated herein, Lessee shall reasonably cooperate with Lessor's development of the Overall Property, including, without limitation, making portions of the Property available for access and construction staging and supporting Lessor's entitlement and planned development efforts with public and private agencies, which obligation to support shall survive the expiration or termination of this Agreement.

2. Term. The term of this Agreement (the "**Lease Term**") shall commence on the Effective Date and terminate on the same calendar day that is sixteen (16) months thereafter (the "**Expiration Date**") (e.g., if the Effective Date is February 15th, 2018, the Expiration Date would be June 15, 2019); provided, however, Lessee may terminate this Agreement at any earlier time upon no less than three (3) month's prior written notice to Lessor. During the Lease Term, portions of the Property shall be vacated and surrendered by Lessee and released back to Lessor pursuant to the schedule attached hereto as Exhibit "B," incorporated herein by reference (the "**Transition Schedule**"). However, as long as Lessee is not in default hereunder, and subject to the terms and conditions of this Agreement, Lessee shall have full access to and use of all portions of the Property that remain under Lessee's possessory control, as set forth in the Transition Plan, during the Lease Term. Lessor's right to take possession of portions of the Property, as set forth in the Transition Plan, shall in no way materially interfere with Lessee's continuing right to fully occupy and use the remaining portions of the Property, subject to the terms and conditions of this Agreement.

3. Use. Lessee shall use the Property solely for general office space and shall not use or permit the Property to be used for any other use or purpose whatsoever. Lessee shall have unlimited access to the Property and the exclusive use of the Property, as limited by the Transition Schedule, for any general office use related to the District's administrative or educational functions, subject to the terms and conditions of this Agreement. Further, Lessee may take all actions necessary to transfer its activities from the Property to the new property location, including, but not limited to, hiring third party entities or individuals to enter the Property to assist with removing and transferring property owned by the Lessee from the Property. Subject to the terms and conditions of this Agreement and the Transition Schedule, Lessor shall not take any action that materially interferes with, interrupts, inhibits, or restricts the Lessee's use of the Property or its transfer of Lessee's programs from the Property.

4. Condition of Property and Representations. Lessor shall deliver possession of the Property to Lessee in its current condition as of the date of the Effective Date. Lessee agrees not to make any alterations to the Property except in accordance with the process set forth in Section 5 below. Lessee acknowledges that Lessee has owned, operated, and used the Property for years before the Effective Date, and therefore has extensive knowledge about and is fully aware of the condition of the Property. Lessee hereby accepts the Property, including the base, shell, core, interior improvements, and surrounding parking lot, in their “AS-IS” condition as of the Effective Date and Lessor shall not be obligated to provide or pay for any improvement work or services related to the improvement of the Property. Lessee also acknowledges that Lessor has made no representation or warranty regarding the condition of the Property. Pursuant to Section 1938 of the California Civil Code, Lessor hereby advises Lessee that as of the date of this Agreement, the Property has not undergone inspection by a Certified Access Specialist (CASp). Further, pursuant to Section 1938 of the California Civil Code, Lessor notifies Lessee of the following: “A Certified Access Specialist (CASp) can inspect the premises and determine whether the premises comply with all of the applicable construction-related accessibility standards under state law. Although California state law does not require a CASp inspection of the premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of any such CASp inspection, the payment of the costs and fees for the CASp inspection and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.” Therefore and notwithstanding anything to the contrary contained in this Agreement, Lessor and Lessee agree that (a) Lessee may, at its option and at its sole cost, cause a CASp to inspect the Property and determine whether the Property complies with all of the applicable construction-related accessibility standards under California law, (b) the parties shall mutually coordinate and reasonably approve of the timing of any such CASp inspection so that Lessor may, at its option, have a representative present during such inspection, and (c) Lessee shall be solely responsible for the cost of any repairs necessary to correct violations of construction-related accessibility standards within the Property unless such repairs are made necessary by the Lessor’s Access Work, in which case Lessor shall be responsible for all related costs, any and all such alterations and repairs to be performed in accordance with this Agreement provided Lessee shall have no obligation to remove any repairs or alterations made pursuant to a CASp inspection under this Section 4.

At the end of this Agreement, whether at the expiration of the Lease Term or early termination, Lessee shall surrender the Property to Lessor in substantially the same condition as of the Effective Date, except for: 1) normal wear and tear and 2) any non-structural changes made necessary by the Lessee’s transition of its programs and activities from the Property, including the alterations as set forth in Section 5.

5. Alterations. Lessee shall not make any alterations, additions, or improvements to the Property for the its benefit without Lessor’s prior written consent. Notwithstanding the foregoing, Lessor’s prior written consent shall not be required for “Minor Alterations,” the cost of which do not exceed Five Thousand Dollars (\$5,000) and do not affect any structural component of the Property, including actions necessary to transfer Lessee’s current programs and activities from the Property. Minor Alterations include removing certain personal property

owned by the Lessee which may be temporarily attached or affixed to the Property. Lessee shall not make any permanent alterations to the buildings located on the Property. If Lessee determines that any permanent alterations or other alterations, additions or improvements that cost above Five Thousand Dollars (\$5,000) are necessary to complete its transition, Lessee shall submit a written request to Lessor that shall describe the proposed alteration in detail (“**Major Alteration**”). Upon receipt of the proposed Major Alteration, Lessor shall either issue written approval or request a meeting with Lessee to address any concerns or questions Lessor may have regarding the Major Alteration, in which case the Parties shall meet in good faith to discuss the Major Alteration. Lessor shall not unreasonably withhold approval of any Major Alteration and, if approval is not granted, Lessor shall use good faith efforts to provide an alternative solution to meet the stated needs of the Lessee which will be acceptable to Lessor.

Lessee shall be responsible for ensuring the Major Alteration complies with all applicable laws, rules and regulations. If necessary, Lessor shall work with Lessee in good faith, and at no cost or expense to Lessor, to help ensure the Major Alteration complies with any permits or approvals required to complete the Major Alteration.

6. Rent.

a. Except during the first (1st) year of the Lease Term as set forth in subsection (b) below, Lessee shall pay, without notice or demand, to Lessor, in currency or a check for currency which, at the time of payment, is legal tender for private or public debts in the United States of America, base rent in the amount of Sixty-Two Thousand Five Hundred and 00/100ths Dollars (\$62,500.00) per month (“**Base Rent**”) in advance on or before the first day of each and every month during the Lease Term, without any setoff or deduction whatsoever. For clarification, and subject to the terms of subsection (b) below, Lessee’s obligation to pay Base Rent shall commence on the first (1st) anniversary of Effective Date. The Base Rent for the thirteenth (13th) full month of the Lease Term shall be paid on or before the first day of the thirteenth (13th) month of the Lease Term. If any rental payment is for a period which is shorter than one month, then the rental for any such fractional month shall be a proportionate amount of a full calendar month’s rental based on the proportion that the number of days in such fractional month bears to the number of days in the calendar month during which such fractional month occurs.

b. Notwithstanding anything to the contrary in this Agreement, the Base Rent for the first (1st) year of the Lease Term (accruing at a rate of \$62,500.00 per month) shall be paid by Lessee to Lessor in a form of consideration, and at a time, to be mutually and reasonably agreed to by the parties; provided, however, (i) the parties shall agree upon such consideration by no later than the date that is six (6) months after the expiration or earlier termination of this Agreement, and (ii) in no event shall Carmel request that such consideration be in the form of cash.

c. All amounts and charges payable by Lessee under this Agreement in addition to Base Rent described above (including, without limitation, Operating Expenses, Taxes, Insurance Costs and Utilities Costs, in the event Lessor elects to pay such items due to Lessee’s failure to timely pay same) shall be considered “Additional Rent” for the purposes of this Agreement, and the word “Rent” in this Agreement shall include such Additional Rent unless the

context specifically states or clearly implies that only base rent is referenced. Except as otherwise stated herein, Rent shall be paid without any prior notice or demand therefor and without any notice, deduction or offset, in lawful money of the United States of America.

d. Survival. This section 6 shall survive the termination or expiration of the Agreement.

7. Net Lease; Operating Expenses; Taxes; Insurance Costs and Utilities Costs.

a. Triple Net Lease. Except as otherwise provided herein, all Base Rent shall be absolutely net to Lessor so that this Agreement shall yield net to Lessor the Base Rent to be paid each month during the Lease Term. Accordingly, all costs, expenses and obligations of every kind or nature whatsoever relating to the Property which may arise or become due during the Lease Term including, without limitation, all costs and expenses of maintenance and repairs, utilities, insurance and taxes, shall be paid by Lessee.

b. Operating Expenses, Taxes, Insurance Costs and Utilities Costs. In addition to the Base Rent required to be paid by Lessee pursuant to Section 6 above, during each month of the Lease Term, Lessee shall contract for and pay directly all Operating Expenses, Taxes and Insurance Costs, in the manner and at the times set forth in the following provisions of this Section 7. In addition, Lessee shall contract for and pay directly all costs of utilities serving the Property, including, without limitation, electricity, water, gas, sewer and telecommunications (collectively, “**Utilities Costs**”) as provided in this Section 7 below. To the extent Lessor is required to pay any such Operating Expenses, Taxes, Insurance Costs or Utilities related to the Property, Lessee shall reimburse Lessor within ten (10) business days’ demand therefor.

c. Definitions.

i. Operating Expenses. As used in this Agreement, the term “Operating Expenses” shall consist of all costs and expenses of operation, maintenance and repair of the Property, as determined by standard accounting practices. Operating Expenses include the following costs by way of illustration but not limitation: any and all assessments imposed with respect to the Property pursuant to any covenants, conditions and restrictions affecting the Property, if any, and costs, levies or assessments resulting from statutes or regulations promulgated by any government authority in connection with the use or occupancy of the Property; waste disposal, refuse removal, janitorial, landscaping and security services; and costs incurred in the management of the Property. Operating Expenses shall not include Taxes, Insurance Costs or Utilities Costs which shall be separately accounted for.

ii. Taxes. Lessee shall pay, when due and before delinquency, all Taxes levied and assessed against the Property, commencing with the Effective Date and continuing for the remainder of the Lease Term. As used in this Agreement, the term “Taxes” shall mean: all real property taxes and assessments, possessory interest taxes, sales taxes, personal property taxes, business or license taxes or fees, gross receipts taxes, license or use fees, excises, transit charges, and other impositions of any kind (including fees “in-lieu” or in substitution of any such tax or assessment) which are now or hereafter assessed, levied, charged or imposed by any public authority upon the Property or any portion thereof, its operations or the

Rent (or any portion or component thereof, or the ownership, operation, or transfer thereof). Taxes shall not include inheritance or estate taxes imposed upon or assessed against the interest of Lessor, gift taxes, excess profit taxes, franchise taxes, or similar taxes on Lessor's business or any other taxes computed upon the basis of the net income of Lessor. If it shall not be lawful for Lessee to pay for any such Taxes, the monthly rental payable to Lessor under this Agreement shall be revised to net Lessor the same net rental after imposition of any such Taxes on Lessor as would have been payable to Lessor prior to the payment of any such Taxes.

iii. **Insurance Costs.** As used in this Agreement, "Insurance Costs" shall mean the cost of insurance Lessee is required to carry pursuant to Section 11 (including self-insured amounts and deductibles) for the Property.

iv. **Utilities Costs.** As used in this Agreement, "Utilities Costs" shall mean all actual charges for utilities for the Property of any kind, including but not limited to water, sewer and electricity, telecommunications and cable service, and the costs of heating, ventilating and air conditioning and other utilities as well as related fees, assessments and surcharges. Lessee shall contract directly for all utilities services for the Property and shall pay all Utilities Costs directly to the various utility service providers providing such utility services to the Property. Additionally, Lessee hereby consents to any applicable utility company providing utility consumption information for the Property to Lessor, and if requested, shall promptly sign any documentation requested by the utility company to evidence such consent.

8. Repairs and Maintenance. Lessee agrees, at all times following Effective Date and throughout the Lease Term, at Lessee's sole expense, to keep and maintain the Property and all portions thereof, whether interior or exterior, in good order, condition and repair, and to make all necessary repairs and replacements thereof. Lessor shall have no repair or maintenance obligations of any type.

9. Access for Use. Lessor covenants and agrees with Lessee that, upon Lessee performing all of the covenants and provisions on Lessee's part to be observed and performed under this Agreement (including payment of Rent hereunder), Lessee shall have the right to use and occupy the Property in accordance with and subject to the terms and conditions of this Agreement and the Transition Schedule as against all persons claiming by, through or under Lessor. This covenant shall be binding upon Lessor and its successors only during its or their respective periods of ownership of the Building.

10. Covenants. Throughout the Lease Term, Lessee covenants: (a) that no waste or damage shall be committed upon or to the Property, (b) that the Property shall be used for only the purposes stated herein; and (c) Lessee shall comply with all laws, rules, orders, ordinances, covenants, restrictions, and regulations at any time issued or in force that are applicable to the Property or the Lessee's use thereof.

11. Insurance. Lessee shall carry insurance with respect to the Property as set forth in this Agreement. The insurance requirements set forth under this section may be satisfied by a self-insurance program approved by the Lessee's Governing Board of Education. As of the execution of this Agreement, Lessee is self-insured.

a. Public Liability and Properties Damage. Lessee agrees to maintain in full force and effect throughout the duration of the Agreement a suitable policy or policies of public liability and property damage insurance, insuring against all bodily injury, property damage, personal injury, and other loss or liability caused by or connected with Lessee's use of the Property under this Agreement. Such insurance shall be in amounts not less than \$1,000,000 per occurrence; \$3,000,000 for general aggregate and \$1,000,000 for property damage.

b. Automobile Liability. Lessee also agrees to maintain in full force and effect with regard to any Lessee-owned vehicles which Lessee brings onto the Property a suitable policy or policies of automobile liability insurance with a combined single limit of \$1,000,000 per accident throughout the duration of the Agreement.

c. Workers' Compensation. Lessee shall also maintain, in full force and effect throughout the term of this Agreement, Workers' Compensation insurance in accordance with the laws of California, and employers' liability insurance with a limit of not less than \$1,000,000 per employee and \$1,000,000 per occurrence.

d. Notice; Additional Named Insureds. All insurance required under this Agreement shall be issued as a primary policy and contain an endorsement requiring thirty (30) days written notice from the insurance company to both Parties hereto before cancellation or change in coverage, scope or amount of any policy. Lessor shall be designated as additional named insureds.

12. Indemnity.

a. Lessee's Indemnification. Lessee shall be liable for, and shall indemnify, defend, protect and hold harmless Lessor and Lessor's members, shareholders, partners, officers, directors, managers, employees, agents, successors and assigns (collectively, "**Lessor Parties**") from and against any and all claims, damages, judgments, suits, causes of action, losses, liabilities and expenses, including attorneys' fees and court costs (collectively, "**Indemnified Claims**"), arising or resulting from (a) any occurrence at the Property following the Effective Date; (b) any act or omission of Lessee or any of Lessee Parties; (c) the use of the Property and conduct of Lessee's business by Lessee or any of Lessee Parties, or any other activity, work or thing done, permitted or suffered by Lessee or any of Lessee Parties, in or about the Property, except to the extent caused by the gross negligence or willful misconduct of Lessor or Lessor Parties; and/or (d) any default by Lessee of any obligations on Lessee's part to be performed under the terms of this Agreement or the terms of any contract or agreement to which Lessee is a party or by which it is bound, affecting this Agreement or the Property.

b. Lessor's Indemnification. Lessor shall indemnify and hold harmless Lessee and its agents, officers, directors, shareholders, members, partners, employees, subtenants, assignees, licensees, contractors or invitees (collectively, "**Lessee Parties**") from and against Indemnified Claims, after the Effective Date, to the extent arising from the negligence or willful misconduct of Lessor or Lessor Parties in connection with Lessor's ownership, management, use or operation of the Property including any and all Lessor's Access Work, unless caused by the active negligence or willful misconduct of Lessee, its employees, agents, or contractors relating to the Property.

c. **Survival.** This indemnification section shall survive the termination or expiration of the Agreement.

13. Default; Remedies.

a. **Default by Lessee.** The occurrence of any one or more of the following events shall constitute a “Default” under this Agreement by Lessee:

i. The failure by Lessee to make any payment of Rent or any other payment required to be made by Lessee hereunder, where such failure continues for twenty (20) days after written notice thereof from Lessor that such payment was not received when due; or

ii. Unless stated otherwise in this Agreement, the failure by Lessee to observe or perform any of the covenants, conditions or provisions of this Agreement to be observed or performed by Lessee, where such failure shall continue for a period of thirty (30) days after written notice thereof from Lessor to Lessee; provided, however, that if the nature of Lessee's noncompliance is such that more than thirty (30) days are reasonably required for its cure, then Lessee shall not be deemed to be in default if Lessee commenced such cure within thirty (30) days from receipt of the notice and thereafter diligently pursues such cure to completion, which completion shall occur not later than sixty (60) days from the date of such notice from Lessor.

Any notice sent by Lessor to Lessee pursuant to this Section shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure, Section 1161.

b. **Lessor's Remedies; Termination.** In the event of any such Default by Lessee, in addition to any other remedies available to Lessor under this Agreement, at law or in equity, Lessor shall have the immediate option to terminate this Agreement and all rights of Lessee hereunder. In the event that Lessor shall elect to so terminate this Agreement, then Lessor may recover from Lessee:

i. the worth at the time of award of any unpaid Rent which had been earned at the time of such termination; plus

ii. the worth at the time of the award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Lessee proves could have been reasonably avoided; plus

iii. the worth at the time of award of the amount by which the unpaid Rent for the balance of the term after the time of award exceeds the amount of such rental loss that Lessee proves could be reasonably avoided; plus

iv. any other amount necessary to compensate Lessor for all the detriment proximately caused by Lessee's failure to perform its obligations under this Agreement or which, in the ordinary course of things, would be likely to result therefrom including, but not limited to: attorneys' fees; the costs of repair of the Property; and removal (including the repair of any damage caused by such removal) and storage (or disposal) of Lessee's personal property,

equipment, fixtures, and any other items which Lessee is required under this Agreement to remove but does not remove.

c. Lessor's Remedies; Re-Entry Rights. In the event of any such Default by Lessee, in addition to any other remedies available to Lessor under this Agreement, at law or in equity, Lessor shall also have the right, with or without terminating this Agreement, to re-enter the Property and remove all persons and property from the Property; such property may be removed, stored and/or disposed of pursuant to procedures permitted by applicable law. No re-entry or taking possession of the Property by Lessor pursuant to this Section, and no acceptance of surrender of the Property or other action on Lessor's part, shall be construed as an election to terminate this Agreement unless a written notice of such intention be given to Lessee or unless the termination thereof be decreed by a court of competent jurisdiction.

d. Lessor's Remedies; Continuation of Agreement. In the event of any such Default by Lessee, in addition to any other remedies available to Lessor under this Agreement, at Law or in equity, Lessor shall have the right to employ the remedy described in California Civil Code Section 1951.4 (Lessor may continue this Agreement in effect after Lessee's breach and abandonment and recover rent as it becomes due, if Lessee has the right to sublet or assign, subject only to reasonable limitations and any successor laws).

e. Lessor's Right to Perform. Except as specifically provided otherwise in this Agreement, all covenants and agreements by Lessee under this Agreement shall be performed by Lessee at Lessee's sole cost and expense and without any abatement or offset of Rent. In the event of any Default by Lessee, Lessor may, without waiving or releasing Lessee from any of Lessee's obligations, make such payment or perform such other act as required to cure such Default on behalf of Lessee. All sums so paid by Lessor and all necessary incidental costs incurred by Lessor in performing such other acts shall be payable by Lessee to Lessor within five (5) days after demand therefor as Additional Rent.

f. Rights and Remedies Cumulative. All rights, options and remedies of Lessor contained in this Agreement shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, and Lessor shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law or in equity, whether or not stated in this Agreement. Nothing in this section shall be deemed to limit or otherwise affect Lessee's indemnification of Lessor pursuant to any provision of this Agreement.

g. Lessee's Waiver of Redemption. LESSEE HEREBY WAIVES AND SURRENDERS FOR ITSELF AND ALL THOSE CLAIMING UNDER IT, INCLUDING CREDITORS OF ALL KINDS, (I) ANY RIGHT AND PRIVILEGE WHICH IT OR ANY OF THEM MAY HAVE UNDER SECTION 3275 OF THE CALIFORNIA CIVIL CODE AND BY SECTIONS 1174 (C) AND 1179 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE AND ANY AND ALL OTHER PRESENT OR FUTURE LAWS TO REDEEM ANY OF THE PROPERTY OR TO HAVE A CONTINUANCE OF THIS AGREEMENT AFTER TERMINATION OF THIS AGREEMENT OR OF LESSEE'S RIGHT OF OCCUPANCY OR POSSESSION PURSUANT TO ANY COURT ORDER OR ANY PROVISION HEREOF, AND (II) THE BENEFITS OF ANY PRESENT OR FUTURE LAW WHICH EXEMPTS PROPERTY FROM LIABILITY FOR DEBT OR FOR DISTRESS FOR RENT.

h. Default by Lessor. The occurrence of any one or more of the following events shall constitute a material default of this Agreement by Lessor:

i. Subject to the terms and conditions of this Agreement, the failure to make the Property accessible for the Lessee's use by blocking or otherwise preventing Lessee from entering, accessing, or otherwise using the Property.

ii. Unless stated otherwise in this Agreement, the failure by Lessor to perform the obligations required of Lessor under this Agreement within a reasonable time, but in no event later than thirty (30) days after written notice by Lessee to Lessor specifying wherein Lessor has failed to perform such obligation; provided, however, that if the nature of Lessor's obligation is such that more than thirty (30) days are required for performance then Lessor shall not be in default if Lessor commences performance within such thirty (30) day period and thereafter diligently pursues the same to completion.

i. Lessee Remedies. In the event of any material default or breach of this Agreement by Lessor, Lessee may terminate this Agreement after providing thirty (30) days written notification to Lessor, in which case this Agreement and the Lease Term hereof shall terminate and Lessee shall immediately surrender possession of the Property to Lessor. Lessee shall be entitled to repayment of any remaining Rent paid in advance for unused time as well as all other remedies Lessee may obtain at law and equity.

14. Hazardous Wastes. Lessee and Lessee (through the Lessor's Access Work) shall not generate, handle, store or dispose of hazardous or toxic materials in violation of any federal, state or local law, ordinance or regulation in, on or about the Property.

15. Costs of Enforcement. If either Party commences an action against the other to enforce any of the terms of this Agreement or because of the breach of either Party of any of the terms hereof, each Party shall be responsible for its own attorneys' fees, costs and expenses incurred in connection with the prosecution or defense of such action.

16. Notices. Any notice, request, information or other document to be given hereunder to any of the Parties by any other Parties shall be in writing and shall be deemed given and served upon delivery, if delivered personally, or three (3) days after mailing by United States mail as follows:

If to Lessee: Glendale Unified School District
 223 North Jackson Street
 Glendale, CA 91206
 Attn: Winfred B. Roberson, Jr., Superintendent of Schools
 Email: wroberson@gusd.net

If to Lessor: Carmel Partners
 1000 Sansome Street, Suite 180
 San Francisco, CA 94111
 Attention: Neils Cotter
 Telephone: (415) 273-2900

Facsimile: (415) 273-2901
Email: ncotter@carmelpartners.com

With copy to: Cox, Castle & Nicholson LLP
50 California Street, Suite 3200
San Francisco, CA 94111
Attention: Mathew A. Wyman, Esq.
Telephone: (415) 262-5166
Facsimile: (415) 392-4250
Email: mwyman@coxcastle.com

Any party may change the address or persons to which notices are to be sent to it by giving the written notice that such change of address or persons to the other parties in the manner provided for giving notice.

17. Sublease and Assignment. This Agreement shall not be assigned by Lessee without the written consent of Lessor. Lessee has no right to sublease all or any portion of the Property.

18. Holding Over.

a. Surrender of Property. Upon the Expiration Date or sooner termination of this Agreement, Lessee shall surrender all keys for the Property and exclusive possession of the Property to Lessor broom clean and in good condition and repair, reasonable wear and tear excepted (and casualty damage excepted if this Agreement is terminated as a result thereof) with all of Lessee's personal property and equipment removed therefrom and all damage caused by such removal repaired. If, for any reason, Lessee fails to surrender the Property on or prior to the expiration or earlier termination of this Agreement, with such removal and repair obligations completed, then Lessee shall be deemed in holdover and subject to all of the provisions of this section until such time as Lessee has surrendered the Property to Lessor in the condition required. If Lessee holds over after the expiration or earlier termination of the Lease Term without the express written consent of Lessor, then, in addition to all other remedies available to Lessor, Lessee shall become a tenant at sufferance only, upon the terms and conditions set forth in this Agreement so far as applicable (including Lessee's obligation to pay all Additional Rent under this Agreement), and Lessee shall pay Lessor, upon demand, holdover rent payable at a monthly rate equal to One Hundred Twenty-Five Thousand Dollars (\$125,000) per month ("**Holdover Rent**"). Acceptance by Lessor of Holdover Rent after such expiration or earlier termination shall not constitute consent to a hold over hereunder or result in an extension of this Agreement. This Section shall not be construed to create any express or implied right to holdover beyond the expiration of the Lease Term or any extension thereof. Lessee shall be liable, and shall pay to Lessor within ten (10) days of demand, for all losses incurred by Lessor as a result of such holdover, and shall indemnify, defend and hold Lessor and the Lessor Parties harmless from and against all liabilities, damages, losses, claims, suits, costs and expenses (including reasonable attorneys' fees and costs) arising from or relating to any such holdover tenancy (including a holdover tenancy created by Lessee's failure to surrender the Property in the condition required) which tenancy is with or without Lessor's consent.

Lessee acknowledges Lessor intends to develop the Overall Property after the Expiration Date. In accordance therewith, Lessor is relying on Lessee's surrender of the Property in accordance with the Transition Schedule and any holdover will cause delay and increased cost in connection with such development.

b. Lessee's Failure to Remove. If Lessee fails to remove by the expiration or sooner termination of this Agreement all of its personal property, Lessor may, (without liability to Lessee for loss thereof), at Lessee's sole cost and in addition to Lessor's other rights and remedies under this Agreement, at law or in equity: (a) remove and store such items in accordance with applicable law; and/or (b) upon ten (10) days' prior notice to Lessee, sell all or any such items at private or public sale for such price as Lessor may obtain as permitted under applicable law. Lessor shall apply the proceeds of any such sale to any amounts due to Lessor under this Agreement from Lessee (including Lessor's attorneys' fees and other costs incurred in the removal, storage and/or sale of such items), with any remainder to be paid to Lessee.

19. Liens. Lessee shall not permit any mechanic's, materialmen's or other liens to be filed against all or any part of the Property, nor against Lessee's leasehold interest in the Property, by reason of or in connection with any repairs, alterations, improvements or other work contracted for or undertaken by Lessee or any other act or omission of Lessee or Lessee's agents, employees, contractors, licensees or invitees.

20. Casualty or Taking. In the event the Property is damaged by fire or other casualty ("**Casualty**"), or any portion of the Property is taken or condemned for any public or quasi-public use by eminent domain (a "**Taking**"), then Lessor may elect to terminate this Agreement effective as of the date which is thirty (30) days after Lessee's receipt of Lessor's election to so terminate. In case of a Casualty, Lessee hereby assigns to Lessor all rights to receive insurance proceeds, excluding proceeds for Lessee's furniture and other personal property. In case of a Taking, all compensation awarded for the Taking shall be the property of Lessor; however, Lessee may file a separate claim for Lessee's furniture and other personal property, loss of goodwill, and reasonable relocation expenses.

21. Subordination. Without the necessity of any additional document being executed by Lessee for the purpose of effecting a subordination, and at the election of Lessor or any mortgagee of a mortgage or a beneficiary of a deed of trust now or hereafter encumbering all or any portion of the Property or any lessor of any ground or master lease now or hereafter affecting all or any portion of the Property (any of the foregoing a "**Mortgagee**"), this Agreement shall be subject and subordinate at all times to such ground or master leases (and such extensions and modifications thereof), and to the lien of such mortgages and deeds of trust (as well as to any advances made thereunder and to all renewals, replacements, modifications and extensions thereof).

22. Estoppel Certificate. Within ten (10) days following Lessor's written request, Lessee shall execute and deliver to Lessor a commercially reasonable estoppel certificate certifying: (a) the Effective Date of this Agreement; (b) that this Agreement is unmodified and in full force and effect (or, if modified, that this Agreement is in full force and effect as modified, and stating the date and nature of such modifications); (c) the date to which the Rent and other sums payable under this Agreement have been paid; (d) that there are not, to the best of Lessee's

knowledge, any defaults under this Agreement by either Lessor or Lessee, except as specified in such certificate; and (e) such other matters as are reasonably requested by Lessor. Any such estoppel certificate may be relied upon by any mortgagee, beneficiary, purchaser or prospective purchaser of any portion of the Property, as well as their assignees.

23. Limitation on Lessor's Liability. Notwithstanding anything contained in this Agreement to the contrary, the obligations of Lessor under this Agreement (including any actual or alleged breach or default by Lessor) do not constitute personal obligations of the individual members, partners, directors, officers, board members, employees, or shareholders of Lessor or Lessor's members or partners, and Lessee shall not seek recourse against the individual members, partners, directors, officers, board members, employees, or shareholders of Lessor or Lessor's members or partners or any other persons or entities having any interest in Lessor, or any of their personal assets for satisfaction of any liability with respect to this Agreement. In addition, in consideration of the benefits accruing hereunder to Lessee and notwithstanding anything contained in this Agreement to the contrary, Lessee hereby covenants and agrees for itself and all of its successors and assigns that the liability of Lessor for its obligations under this Agreement (including any liability as a result of any actual or alleged failure, breach or default hereunder by Lessor), shall be limited solely to, and Lessee's and its successors' and assigns' sole and exclusive remedy shall be against, Lessor's interest in the Property, and no other assets of Lessor. Lessor shall in no event be liable to Lessee for any consequential damages or for loss of business, revenue, income or profits and Lessee hereby waives any and all claims for any such damages. Nothing herein shall be construed as limiting Lessor's indemnity obligations, as set forth in Section 12 above.

24. Waiver of Jury Trial. LESSOR AND LESSEE EACH ACKNOWLEDGES THAT IT IS AWARE OF AND HAS HAD THE ADVICE OF COUNSEL OF ITS CHOICE WITH RESPECT TO ITS RIGHTS TO TRIAL BY JURY, AND, TO THE EXTENT ENFORCEABLE UNDER CALIFORNIA LAW, EACH PARTY DOES HEREBY EXPRESSLY AND KNOWINGLY WAIVE AND RELEASE ALL SUCH RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER PARTY HERETO AGAINST THE OTHER (AND/OR AGAINST ITS MEMBERS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, OR SUBSIDIARY OR AFFILIATED ENTITIES) ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT, LESSEE'S USE OR OCCUPANCY OF THE PROPERTY AND/OR ANY CLAIM OF INJURY OR DAMAGE. FURTHERMORE, THIS WAIVER AND RELEASE OF ALL RIGHTS TO A JURY TRIAL IS DEEMED TO BE INDEPENDENT OF EACH AND EVERY OTHER PROVISION, COVENANT, AND/OR CONDITION SET FORTH IN THIS AGREEMENT.

25. Entry by Lessor. Lessor and its employees and agents shall at all reasonable times have the right to enter the Property to inspect the same, to supply any service required to be provided by Lessor to Lessee under this Agreement, to exhibit the Property to prospective lenders or purchasers (or during the last year of the Lease Term or during any default by Lessee, to prospective tenants), to post notices of non-responsibility, and/or to alter, improve or repair the Property, all without being deemed guilty of or liable for any breach of Lessor's covenant of quiet enjoyment or any eviction of Lessee, and without abatement of Rent. In exercising such entry rights, Lessor shall endeavor to minimize, to the extent reasonably practicable, the

interference with Lessee's business, and shall provide Lessee with a minimum of 24-hours advance written notice to Lessee (which may be sent by email) who will allow such entry unless the proposed time will materially interfere with Lessee's activities on the Property, in which case the Parties cooperate to establish a mutually convenient time (except in emergency situations, for scheduled services, and as otherwise previously agreed to by the parties).

26. Brokers. Lessee represents that it has not had any dealings with any real estate broker, finder or intermediary with respect to this Agreement. Lessee shall indemnify, protect, defend (by counsel reasonably approved in writing by Lessor) and hold Lessor harmless from and against any and all claims, judgments, suits, causes of action, damages, losses, liabilities and expenses (including attorneys' fees and court costs) resulting from any breach by Lessee of the foregoing representation, including, without limitation, any claims that may be asserted against Lessor by any broker, agent or finder undisclosed by Lessee herein. The foregoing indemnity shall survive the expiration or earlier termination of this Agreement.

27. Recording. Neither Lessor nor Lessee shall record this Agreement. In addition, neither party shall record a short form memorandum of this Agreement.

28. Severability. The invalidity of any provision of this Agreement as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof.

29. Time of Essence. Time is of the essence with respect to the obligations to be performed under this Agreement.

30. Attorney's Fees. In the event either Party to this Agreement should default under any of the provisions hereof, and the nondefaulting Party should employ attorneys or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting Party herein contained, the defaulting Party agrees that it will on demand therefor pay to the nondefaulting Party the reasonable fees of such attorneys and such other expenses so incurred by the nondefaulting Party.

31. Miscellaneous. This Agreement constitutes the entire agreement between the Parties hereto pertaining to the subject matter hereof and all prior and contemporaneous agreements, representations and understandings of the Parties hereto, oral or written, are hereby superseded and merged herein. No supplement, modification or amendment of this Agreement shall be binding unless in writing and executed by the Parties hereto. No waiver of any provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions, whether or not similar, nor shall any waiver be a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver. This Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of California. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute one and the same instrument. Time is of the essence of every provision hereof. In accordance with Education Code section 17604, this Agreement is not valid or an enforceable obligation against the Lessee until approved or ratified by motion of the Lessee's Governing Board of Education.

[signature page follows]

IN WITNESS WHEREOF, this Agreement has been duly executed by the Parties hereto, intending to be legally bound thereby, as of the day and year first above written.

LESSOR:

CARMEL PARTNERS REALTY INVESTORS, LLC

By: _____
Name: _____
Title: _____

LESSEE:

GLENDALE UNIFIED SCHOOL DISTRICT

By: _____
Name: _____
Title: _____

EXHIBIT A

DESCRIPTION OF PROPERTY

EXHIBIT B
TRANSITION SCHEDULE

EXHIBIT "D"

FORM OF MEMORANDUM OF PAYMENT UPON DEFAULT

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO

Carmel Partners
1000 Sansome Street, Suite 180
San Francisco, CA 94111
Attention: Neils Cotter

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

APN: 5642-017-901, 5642-017-902, 5642-017-903, and 5642-017-904
and portion of 5640-006-900

MEMORANDUM OF PAYMENT UPON DEFAULT

This Memorandum of Payment Upon Default (the "**Memorandum**") is made as of October __, 2017, between the Glendale Unified School District ("**District**") and Carmel Partners Realty Investors, LLC ("**Carmel Partners**") (collectively, the "**Parties**").

RECITALS

A. District and Carmel Partners are parties to that certain Exchange Agreement and Joint Escrow Instructions dated August 16, 2017, as amended by that certain Amendment No. 1 to Exchange Agreement and Joint Escrow Instructions dated September 20, 2017, and that certain Amendment No. 2 to Exchange Agreement and Joint Escrow Instructions dated October __, 2017 (collectively, the "**Exchange Agreement**"), for the exchange, as more particularly described in the Exchange Agreement, of those certain real properties owned by the District located at 223 N. Jackson Street, in the City of Glendale, County of Los Angeles, State of California (the "**District Office Property**") and 316 W. Palmer Avenue, in the City of Glendale, County of Los Angeles, State of California (the "**Palmer Property**"), for that certain real property that Carmel Partners is under contract to acquire, located at 425 East Colorado Street, in the City of Glendale, County of Los Angeles, State of California .

B. The District Office Property is more particularly described on Exhibit "A" attached hereto.

C. The Palmer Property is more particularly described on Exhibit "B" attached hereto.

D. Among other things, the Exchange Agreement obligates District to pay Carmel Partners One Million Seven Hundred Fifty Thousand and 00/100th Dollars (\$1,750,000.00), including all interest that may accrue thereon (the “**Carmel Default Reimbursement Amount**”) in the event that the Exchange Agreement is terminated due to a default by District.

E. The Parties desire to place District’s obligation to pay Carmel Partners the Carmel Default Reimbursement Amount of public record.

Therefore, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Record Notice. The purpose of this Memorandum is to give notice of District’s contingent obligation to pay the Carmel Default Reimbursement Amount as described in the Exchange Agreement and nothing contained in this Memorandum shall, or shall be deemed to, modify or amend the Exchange Agreement in any respect. If there is an inconsistency between the provisions of this Memorandum and the Exchange Agreement, the provisions of the Exchange Agreement shall control.

2. Counterparts. This Memorandum may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document. Any signature page of this Memorandum may be detached from any counterpart of this Memorandum and re-attached to any other counterpart of this Memorandum identical in form hereto but having attached to it one or more additional signature pages.

[Remainder of Page Intentionally Left Blank]

The Parties have executed this Memorandum on the date first written above.

DISTRICT:

GLENDALE UNIFIED SCHOOL DISTRICT

By: _____

Name: _____

Title: _____

CARMEL PARTNERS:

CARMEL PARTNERS REALTY INVESTORS,
LLC, a Delaware limited liability company

By: _____

Name: _____

Title: _____

[Signature Page to Memorandum of Payment Upon Default]

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

State of California)
County of _____)

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 _____

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

State of California)
County of _____)

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 _____

EXHIBIT "A"
TO
MEMORANDUM

District Office Property Legal Description

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

PARCEL 1:

LOTS 3, 5, AND 7, IN BLOCK 7 OF THE TOWN OF GLENDALE, IN THE CITY OF GLENDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 14 PAGES 95 AND 96 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2:

LOTS 9, 11, 13, 15, 17, 19, 20, 21, 22, 23, AND 24, INCLUSIVE, IN BLOCK 7 OF THE TOWN OF GLENDALE, IN THE CITY OF GLENDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 14 PAGES 95 AND 96 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH THAT PORTION OF THE VACATED ALLEY IN SAID BLOCK 7 AS SHOWN ON SAID MAP OF THE TOWN OF GLENDALE, BOUNDED ON THE NORTH BY THE EASTERLY PROLONGATION OF THE NORTHERLY LINE OF LOT 10 AND BOUNDED ON THE SOUTH BY THE EASTERLY PROLONGATION OF THE SOUTHERLY LINE OF SAID LOT 24.

EXCEPTING THEREFROM THE NORTHERLY 12 FEET OF SAID ALLEY.

APN: 5642-017-901, 5642--017-902, 5642-017-903 and 5642-017-904

EXHIBIT "B"
TO
MEMORANDUM

Palmer Property Legal Description

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF GLENDALE, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THAT PORTION OF LOT 17 OF WATTS SUBDIVISION OF A PORTION OF THE RANCHO SAN RAFAEL, IN THE CITY OF GLENDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 5 PAGES 200 AND 201 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTH LINE OF SAID LOT 17 AT THE NORTHWEST CORNER OF TRACT NO. 4559, AS PER MAP RECORDED IN BOOK 48 PAGE 68 OF MAPS, RECORDS OF SAID COUNTY, SAID CORNER BEING ALSO THE SOUTHEAST CORNER OF THE LAND DESCRIBED IN THE DEED TO THE GLENDALE CITY SCHOOL DISTRICT, RECORDED IN BOOK 2551 PAGE 369 OF OFFICIAL RECORDS OF SAID COUNTY; THENCE ALONG THE EASTERLY LINE THEREOF, NORTH 0° 08' WEST 140 FEET TO THE NORTHEAST CORNER THEREOF, BEING THE SOUTHWEST CORNER OF PARCEL 2 OF THE LAND DESCRIBED IN THE DEED TO THE CITY OF GLENDALE, RECORDED IN BOOK 2744 PAGE 126 OF OFFICIAL RECORDS OF SAID COUNTY; THENCE ALONG THE SOUTH LINE THEREOF, NORTH 89° 52' EAST 200.00 FEET TO A POINT; THENCE PARALLEL WITH THE EASTERLY LINE OF SAID GLENDALE CITY SCHOOL DISTRICT, SOUTH 0° 08' EAST 140 FEET TO THE SOUTH LINE OF SAID LOT 17; THENCE ALONG THE SAID SOUTH LINE SOUTH 89° 52' WEST 200.00 FEET TO THE POINT OF BEGINNING.

APN: 5640-006-900