



County of Los Angeles **CHIEF ADMINISTRATIVE OFFICE**

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.co.la.ca.us>

DAVID E. JANSSEN
Chief Administrative Officer

April 8, 2003

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

Board of Supervisors
GLORIA MOLINA
First District

YVONNE BRATHWAITE BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

CONVEYANCE OF COUNTY OWNED REAL PROPERTY TO THE CITY OF EL MONTE 3017 AND 3035 TYLER AVENUE, EL MONTE (FIRST) (4 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the properties located at 3017 and 3035 Tyler Avenue, El Monte, legally described in Exhibit A, are surplus to any present and foreseeable County needs.
2. Find that the proposed direct sale of the surplus properties is categorically exempt from the California Environmental Quality Act (CEQA).
3. Approve the conveyance of the property at 3017 Tyler Avenue for \$500,000 and the property at 3035 Tyler Avenue for \$700,000 to the City of El Monte.
4. Approve and instruct the Chair to sign the agreement upon execution by the City of El Monte and substantially in the same form and substance as the attached Purchase and Sale Agreement and, upon presentation, Quitclaim Deed, both of which have been approved as to form by County Counsel.
5. Instruct the Auditor-Controller to deposit the sale proceeds as they become due into the Asset Development Implementation Fund as directed by the Chief Administrative Office (CAO).
6. Authorize the CAO to execute a deed of trust and promissory note secured by the subject properties and any other documents necessary to complete the sale transaction, upon approval by County Counsel.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The properties consist of three single story structures. They include a vacant 6,863 square foot building located at 3035 Tyler Avenue that was formerly used by the Department of Public Services (DPSS) as the Information Line call center which DPSS relocated in December 2000. The remaining two buildings, totaling 5,392 square feet, are located on the adjacent property at 3017 Tyler Avenue and are currently occupied by the Department of Community and Senior Services (DCSS) which operates a community service center at this location. DCSS determined that due to overlapping services in the El Monte area, a more effective use of the County's resources would result from relocating programs to an area where constituents were underserved. In conjunction with DCSS staff, the CAO has identified a facility at 1441 Santa Anita, South El Monte (former Assessor's office) that will accomplish that goal. DCSS is now in the process of evaluating the relocation of programs to this facility. When completed, the programs could be operational by Summer 2003.

As a result, the subject properties are considered surplus to the County's needs. The City of El Monte's acquisition of the properties will allow the City to develop programs targeted at area youth and provide an opportunity for the County to sell this asset at its fair market value.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Countywide Strategic Plan directs that we strengthen the County's fiscal capacity (Goal 4). The sale of these properties to the City of El Monte will provide funds that can be used to finance improvements identified as part of the assessment of the condition of the County's improved real property (Strategy 2, Objective 3).

FISCAL IMPACT/FINANCING

The City of El Monte, by resolution passed on February 18, 2003, agreed to pay the County a total of \$1,200,000 for the properties. Terms of the transaction provide that \$100,000 is to be paid upfront and the County is to provide a short-term mortgage for the remaining \$1.1 million at 6.25 percent interest. Annual payments will be made

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commencing one year after the closing date , with the last payment due four years after the closing date . The average annual payment including interest is \$317,967.

The sales price reflects the fair market value of the Tyler Street properties as determined by appraisal prepared by CAO staff.

Proceeds from the sale will be deposited into the Asset Development Implementation Fund, a portion of which can be made available to DCSS, as approved by the CAO, to offset the one-time cost of relocation and refurbishment of its new space at the County-owned property at 1441 Santa Anita Avenue , South El Monte. Plans detailing the scope of work to refurbish the Santa Anita property have not been completed as of this date. In no event will the cost to relocate and refurbish this space exceed \$100,000.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The properties consist of 0.93 of an acre of land area which is improved with three structures totaling 12,255 square feet. The existing improvements are substandard, suffer from deferred maintenance and are in need of renovation. Terms of the sale allow the County to sell the parcels in a manner that will accommodate the City's need to have timely possession of the vacant building while allowing the County sufficient time to relocate the existing Community Center.

The conveyance of the properties to the City of El Monte is authorized by Section 25365 of the California Government Code which authorizes real property transfers to other governmental agencies. Notification of your Board's intended action has been published in compliance with Government Code Section 6061.

In accordance with your Board's policy, a restriction has been placed upon the deed reserving the mineral rights upon the property to the County.

County Counsel has reviewed all documents related to the conveyance and has approved their use as required. Additionally, County Counsel concurs with CAO that a saleable interest in the properties exists.

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ENVIRONMENTAL DOCUMENTATION

The recommended action is categorically exempt under Class 12 of the State CEQA Guidelines and the revised Environmental Document Reporting Procedures and Guidelines adopted by your Board.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Inasmuch as the City of El Monte already provides similar social services as those offered by DCSS at the property and the County is relocating these community services to an area of the County that is not adequately served, the impact is expected to be beneficial to County constituents.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return two original copies of the executed Quitclaim Deed and; Purchase and Sale Agreement, and two certified copies of the Minute Order, and the adopted, stamped Board letter to the CAO Real Estate Division at 222 South Hill Street, 3rd Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:SNY
CWW:CK:pe
Attachments
c: County Counsel
Auditor-Controller
Department of Community and Senior Services

TylerAve.b

SALE AND PURCHASE AGREEMENT

THIS AGREEMENT is made and entered into as of the _____ day of _____, 2003, by and between **COUNTY OF LOS ANGELES** ("Seller"), and the City of El Monte ("Buyer"). Based upon the mutual consideration provided for herein, Seller and Buyer agree as follows:

1. **RECITALS.** This Agreement is made with respect to the following facts which each party agrees are true and correct:

a.) Seller is the owner of certain parcels of real property located at 3017 and 3035 Tyler Avenue shown as County Assessor's Map Book parcel 8580/032/900, in the City of El Monte, County of Los Angeles, State of California, consisting of that property described on Exhibit "A" attached hereto and incorporated into this Agreement as if set forth in full (hereinafter referred to as the "Property").

b.) Seller desires to sell the Property, and convey it to Buyer, and Buyer desires to purchase the Property and accept it from Seller, for the consideration and on the terms and conditions hereinafter set forth.

2. **Purchase Price.** The purchase price ("Purchase Price") for the Property is One Million, Two Hundred Thousand Dollars & 00/100 (\$1,200,000.00), payable by Buyer to Seller with a down payment of One Hundred Thousand Dollars (\$100,000.00) due April 1, 2003, provided this Agreement has been executed by all of the Parties. The balance of the Purchase Price shall be payable in four equal annual installments of \$275,000 plus interest at the rate of Six and one-quarter percent (6.25%) payable on the first day of April of each year commencing April 1, 2004. This schedule of repayment shall be evidenced by a Note (Note) secured by Deed of Trust which shall be executed in conjunction with this Agreement. (The form of the Note is attached and incorporated hereto as Exhibit "B".) If the first day of April falls on a Friday, Saturday or Sunday when Buyer is closed for business, the annual payment shall be due the following Monday. Buyer shall execute a Note and Deed of Trust in favor of Seller to secure this Purchase Price in accordance with terms as set forth herein. (The form of the Deed of Trust is attached and incorporated hereto as Exhibit "C".) All payments to Seller shall be by check made payable to the County of Los Angeles.

3. **Costs.** All costs and expenses of this transaction shall be paid by Buyer, including but not limited to, all escrow costs, the cost of a title insurance policy, documentary transfer taxes and document drafting, recording and miscellaneous charges and fees. Buyer and Seller both agree that this transaction shall be conducted through Greater El Monte Escrow ("Escrow Agent") located at 11706 Ramona Blvd., Suite 107, El

Monte, California 91732, Attention: Donna Duncan. All purchase funds and title documents exchanged through this transaction shall be deposited with the Escrow Agent. Escrow Agent shall conduct all title searches and shall report all findings to the parties.

4. Conveyance. Seller shall convey the Property to Buyer by Quitclaim Deed, subject to: a) All taxes, interest, penalties and assessments of record, if any; and b) covenants, conditions, restrictions, reservations, easements, rights, and rights-of-way of record, if any.

Seller shall convey the Property upon approval by the County Board of Supervisors.

5. Recording. Seller shall upon approval of the sale by the Board of Supervisors, prepare a Quitclaim Deed indicating title to the Property to be vested as follows: City of El Monte

Buyer upon demand by Seller shall execute and deliver a "Certificate of Acceptance" to Seller for attachment to the deed for the Escrow Agent to have recorded by the County Recorder. Escrow Agent shall transmit to both Buyer and Seller a copy of the deed stamped by the Recorder, the original of which shall be mailed to the Buyer by the Recorder.

6. Condition of the Property. Buyer acknowledges that Buyer is purchasing the Property "as is" solely in reliance on Buyer's own investigation, and that no representation or warranties of any kind whatsoever, express or implied, have been made by Seller, or Seller's agents. For a period of thirty (30) days commencing on the date upon which escrow opens, Buyer and its delegated agents, experts or contractors, shall have the right to enter the Property to inspect its condition. Such inspections may include, but not be limited to, inspections for the presence of contaminated materials, toxic or hazardous substances, and asbestos. Seller agrees to cooperate in good faith with Buyer's efforts to conduct its investigation of the Property. Furthermore, Buyer, in its sole discretion, may unilaterally terminate this Agreement during this 30-day inspection period, without incurring any liability to Seller, if Buyer's inspection of the Property reveals conditions which may make its acquisition undesirable or economically infeasible to Buyer. Buyer shall assume the cost and expense for the removal of all contaminated materials, toxic or hazardous substances, and asbestos on the Property.

Buyer also acknowledges that it is aware of all zoning regulations, other governmental requirements, site and physical conditions, and all other matters affecting the use and condition of the Property, and Buyer agrees to purchase the Property in that Condition.

For a period of thirty (30) days commencing on the date upon which escrow opens, Buyer may unilaterally terminate this Agreement, without incurring any liability to Seller, if there is any cloud on title to the Property which prevents Seller from conveying to Buyer marketable title to the Property, free and clear of any encumbrances.

7. Mineral Rights. Seller shall reserve and except unto Seller all oil, gas, hydrocarbons, or other minerals in and under the Property without the use of the surface or subsurface to a depth of 500 feet, measured vertically, from the surface of the Property.

8. Possession/Risk of Loss. Possession of that portion of the Property addressed at 3035 Tyler Avenue shall be delivered by Seller to Buyer upon approval of this sale by the Board of Supervisors, and execution of this Agreement and all other sale documents necessary to complete the transaction.

Delivery of possession of that portion of the Property addressed at 3017 Tyler Avenue (3017 Tyler) by Seller to Buyer shall be subject to a lease-back agreement by Buyer to Seller at a negotiated fair market rental rate and terms agreeable to both parties. Seller shall have thirty (30) days from the date escrow opens to notify Buyer of its intent to lease-back 3017 Tyler. If mutually agreeable terms and conditions cannot be reached by the parties, either party may terminate this Agreement.

All risk of loss or damage with respect to the Property shall pass from Seller to Buyer upon recordation of the Deed by Seller on behalf of Buyer.

9. Brokerage Commission. Buyer and Seller hereby acknowledge and represent that there are no broker's commission or finder's fees due in connection with this transaction. Seller shall indemnify and hold Buyer harmless from any claim of brokers, agent or finder, licensed or otherwise, claiming through, under or by reason of the conduct of the Seller with respect to the transaction contemplated hereunder, and Buyer shall do the same in regards to Seller.

10. Conflicts. In the event of a conflict between the provisions of this Agreement and the provisions of any other documents executed or purported to be executed between the parties prior to the date hereto, the provisions contained in this Agreement shall in all instances govern and prevail.

11. Assignment. Buyer shall not assign or attempt to assign the Agreement, or any rights hereunder to any other person or entity. Any such assignment or purported assignment shall be null and void, and of no force and effect whatsoever.

12. Notices. All notices, demands, request and notices under this Agreement by either party shall be hand-delivered or sent by United States Mail, registered or certified postage prepaid and addressed to the parties as follows:

Seller: County of Los Angeles
Chief Administrative Office
222 South Hill Street, 3rd Floor
Los Angeles, CA 90012
ATTENTION: Carlos Brea, Manager
Property Management

Buyer: City of El Monte
11333 Valley Boulevard
El Monte, CA 91731-3293
ATTENTION: Harold O. Johanson
City Manager

Notices, demands and requests served in the above manner shall be considered sufficiently given or served for all purposes under this Agreement at the time the notice, demand or request is hand-delivered or postmarked to the addresses shown above.

13. Time is of the Essence. Time is of the essence for each and every term, condition, covenant, obligation and provision of this Agreement.

14. Severability. In the event any portion of this Agreement shall be declared by any court of competent jurisdiction to be invalid, illegal, or unenforceable, such portion shall be severed from the Agreement, and the remaining parts hereof shall remain in full force and effect as fully as though such invalid, illegal, or unenforceable portion had never been part of the Agreement, provided the remaining Agreement can be reasonably and equitably enforced.

15. Binding on Successors. Subject to the limitations set forth herein, the Agreement shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto.

16. Required Actions of Buyer and Seller. Buyer and Seller agree to execute all instruments and documents and to take all action as may be required in order to consummate the purchase and sale herein contemplated.

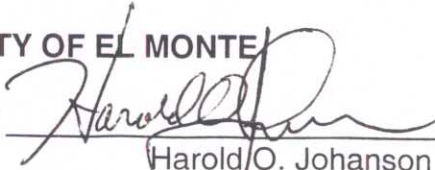
17. Entire Agreement. This Agreement contains the entire Agreement between the parties herein, and no addition or modification of any terms or provisions shall be effective unless set forth in writing, signed by both Seller and Buyer.

IN WITNESS HEREOF, the parties have executed this Agreement as of the day and year first written above.

"BUYER"

CITY OF EL MONTE

By

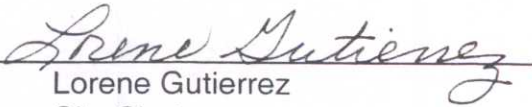

Harold O. Johanson
City Manager

Date:

2-20-03

ATTEST:

By

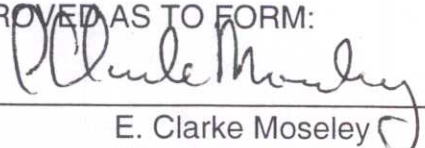

Lorene Gutierrez
City Clerk

Date:

2-20-03

APPROVED AS TO FORM:

By


E. Clarke Moseley
City Attorney

Date:

Feb 20, 2003
RIP 2-2-03

"SELLER"

COUNTY OF LOS ANGELES

By

Chair, Board of Supervisors

ATTEST:

Violet Varona-Lukens
Executive Officer, Clerk of the Board of Supervisors

By

APPROVED AS TO FORM:

LLOYD W. PELLMAN
County Counsel

By

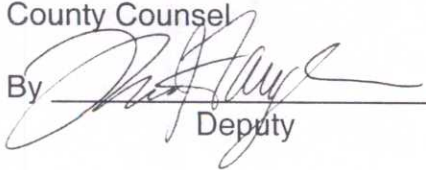

Deputy

EXHIBIT "A"

**LEGAL DESCRIPTION
3017 & 3035 TYLER AVENUE
CITY OF EL MONTE**

Lots 5, 6 7, 8, 9, and 10, inclusive, of Tract No. 10198, in the City of El Monte, County of Los Angeles, State of California, as shown on map filed in Book 175, Page 33, of Maps, in the office of the Recorder of said County.

3017 Tyler Avenue
T.G. 637 (C2)
I.M. 129-277
S.D. 1

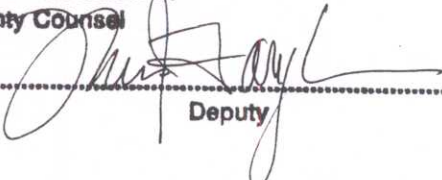
DESCRIPTION

Lots 8, 9, and 10 of Tract No. 10198, as shown on map recorded in Book 175, page 33 of Maps, in the office of the Recorder of the County of Los Angeles.

Containing: 20,175 ± Square Feet
0.46 ± Acres

APPROVED AS TO SALEABLE INTEREST

LLOYD W. PELLMAN
County Counsel

By  Deputy



APPROVED AS TO DESCRIPTION

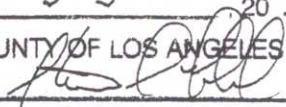
3-5 20 03
COUNTY OF LOS ANGELES
BY 
LAND SURVEYOR
Mapping & Property Management Division

EXHIBIT "A"

3035 Tyler Avenue
T.G. 637 (C2)
I.M. 129-277
S.D. 1

DESCRIPTION

Lots 5, 6, and 7 of Tract No. 10198, as shown on map recorded in Book 175, page 33 of Maps, in the office of the Recorder of the County of Los Angeles.

Containing: 20,867 ± Square Feet
0.48 ± Acres

APPROVED AS TO SALEABLE INTEREST

LLOYD W. PELLMAN
County Counsel

By

Deputy



APPROVED AS TO DESCRIPTION

3/5

20 03

COUNTY OF LOS ANGELES

BY

LAND SURVEYOR

Mapping & Property Management Division

EXHIBIT "A"

EXHIBIT "C"

**RECORDING REQUESTED BY
COUNTY OF LOS ANGELES**

WHEN RECORDED MAIL TO:

County of Los Angeles
Chief Administrative Office
222 South Hill Street, 3rd Floor
Los Angeles, CA 90012

Space above this line for Recorder's use

THIS DOCUMENT IS EXEMPT FROM DOCUMENTARY TRANSFER TAX
PURSUANT TO SECTION 11921 OF THE REVENUE & TAXATION CODE

ASSESSOR'S IDENTIFICATION NUMBER

THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO
SECTION 27383 OF THE GOVERNMENT CODE

DEED OF TRUST AND ASSIGNMENT OF RENTS

THIS DEED OF TRUST, made this _____ day of _____, 2003 between City of El Monte, herein called Trustor, whose address is 11333 Valley Boulevard, El Monte, CA 91731-3293 and T. D. Service Company, hereinafter called Trustee, and County of Los Angeles hereinafter called Beneficiary, whose address is 500 West Temple Street, Room 383, Los Angeles CA 90012.

Trustor irrevocably grants, transfers and assigns to Trustee, in trust, with power of sale, all that real Property in the City of El Monte, County of Los Angeles, State of California, legally described in Exhibit "A" incorporated herein by this reference.

TOGETHER with all rights, privileges, title and interest which Trustor now has or may hereafter acquire in or to said Property, including, without limitation, the rents, issues and profits thereof, and with the appurtenances and all buildings and improvements now or hereafter placed thereon, it being understood and agreed that all classes of Property, attached or unattached, used in connection therewith shall be deemed fixtures and subject to the Property above described;

SUBJECT, HOWEVER, to the right, power and authority given to and conferred upon Beneficiary herein below to collect and apply such rents, issues and profits;

(For purposes of this instrument all of the foregoing described property, property rights and interests shall be referred to as "the Property.")

MAIL TAX STATEMENT TO:
Not applicable

This Deed of Trust is for the purpose of securing:

1. Payment of the indebtedness in the principal sum of ONE MILLION ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$1,100,000.00), evidenced by the certain promissory note of even date herewith made by Trustor, or any one of them, payable to Beneficiary of order, and any extension or renewal thereof, which promissory note has been executed by the Trustor;
2. Performance of each agreement of Trustor contained or incorporated herein by reference;

3. Payment of such sums as may be advanced by Beneficiary or Trustee to protect the security in accordance with the terms of this Deed of Trust, plus interest thereon, at the rate set forth in said promissory note; and
4. Payment of such further sums as may be advanced by Beneficiary when evidenced by another promissory note (or promissory notes) reciting it is so secured.

To protect the security of this Deed of Trust, Trustor agrees:

(1) To keep the Property in good condition and repair; not to remove, substantially alter or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting the Property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon the Property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of the Property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) To provide, maintain and deliver to Beneficiary a policy of Commercial Property Insurance to cover damage to the Property, including betterments and improvements, in an amount at least equal to 100 percent of the replacement value of the Property, from perils covered by the Causes-of-Loss Special Form (ISO form CP 10 30) and include Ordinance or Law coverage. Said policy(s) to have a deductible no greater than Five Thousand Dollars (\$5,000) and Beneficiary shall be named as an additional insured on such policy(s) and contain the express condition that Beneficiary is to be given written notice by mail at least thirty (30) days in advance of cancellation for all policies evidenced on the certificate of insurance. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to the extent permitted by law, to pay all costs and expenses, including the cost of evidence of title and attorney's fees, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed of Trust or enforce the rights of Beneficiary or Trustee hereunder.

(4) To pay: at least ten days before delinquency all taxes and assessments affecting the Property, including assessments on personal property; when due, all encumbrances, changes and liens, with interest, on the Property or any part thereof, which appear to be prior or superior hereto; and all costs, fees and expenses of this Trust to the extent permitted by law.

(5) Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation to do so, and without notice to or demand upon Trustor, and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon the Property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, change or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

(6) To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the terms of this Deed of Trust, with interest from date of expenditure at the rate set forth in the aforesaid promissory note.

(7) That any award of damages in connection with any condemnation for public use or injury to said Property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(8) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

(9) That at any time, or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and said promissory note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: (i) reconvey any part of the Property; and/or (ii) consent to the making of any map or plat thereof; and/or (iii) join in granting any easement thereon; and/or (iv) join in any extension agreement or any agreement subordinating the lien or charge hereof.

(10) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and said promissory note to Trustee for cancellation and retention and upon repayment of its fees, Trustee shall reconvey, without warranty, the Property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

(11) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during continuance of these Trusts, to collect the rents, issues and profits to the Property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Property or any part thereof, in his own name sue for or otherwise collect such rents issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operations and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of the Property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(12) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold the Property, which notice Trustee shall cause to be filed for record. Beneficiary shall also deposit with Trustee this Deed of Trust, said promissory note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said Property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the Property so sold, but without any covenant or warranty, expressed or implied. The recitals in such deed of any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust to the extent permitted by law, including the cost of evidence of title in connection with such sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the rate set forth in the aforesaid promissory note; all other sums then secured hereby; and the remainder, if any, to the person legally entitled thereto.

Immediately after such sale, Trustor shall surrender possession of the Property to the purchaser, in the event possession has not previously been surrendered by Trustor, and upon failure to vacate the Property, Trustor shall pay to the purchaser the reasonable rental value of the Property, and/or at purchaser's option, may be dispossessed in accordance with the law applicable to tenant's holding over.

(13) That Trustor, of if the Property shall have been transferred, the then record owner, together with Beneficiary, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed and acknowledged by each and recorded in the office of the Registrar/Recorder of the County of Los Angeles, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded, the name and address of the new Trustee, and such other matters as may be required by law. If notice of default shall have been recorded, this Power of substitution cannot be exercised until after the costs, fees, and expenses of the then acting Trustee shall have been paid to such Trustee, who shall endorse receipt thereof upon such instrument of substitution. The procedure herein provided for substitution of Trustees shall be exclusive of all other provisions for substitution, statutory or otherwise, to the extent permitted by law.

(14) That this Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the promissory note secured hereby, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural, and all obligations of each Trustor hereunder are joint and several.

(15) That Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action of proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

(16) Without affecting the liability of Trustee or of any other party now or hereafter bound by the terms hereof for any obligation secured hereby, Beneficiary may, from time to time and with or without notice as he shall determine, release any person now or hereafter liable for the performance of such obligation, extend the time for payment or performance, accept additional security, and after, substitute or release any security.

(17) Trustee or Beneficiary may enter upon and inspect the premises at any reasonable time.

(18) No remedy hereby given to Beneficiary of Trustee is exclusive of any other remedy hereunder or under any present or future law. No delay on the part of Trustee or Beneficiary in enforcing their respective rights or remedies hereunder shall constitute a waiver thereof.

(19) Trustor waives the right to assert at any time any statute of limitations as a bar to any action brought to enforce any obligation hereby secured.

(20) Should Trustor, without Beneficiary's written consent, voluntarily sell, transfer or convey his interest in the Property or any part thereof, or if by operation of law, it be sold, transferred or conveyed, then Beneficiary may, at its option, declare all sums secured hereby immediately due and payable. Consent to one such transaction shall not be deemed to be a waiver of the right to require such consent of future or successive transactions.

(21) The invalidity or unenforceability of any provision herein shall not affect the validity and enforceability of any other provision. In the event of any conflicting language between this Deed of Trust and the promissory note, then the language in the Deed of Trust shall prevail.

Each undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder shall be mailed to him at the address set forth in the promissary note. Addresses may be changed by providing the other party at least ten (10) days written notice except that Trustor shall at all times maintain a mailing address in California.

_____ By _____

Name: _____

Its: _____

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

On _____, before me, _____

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), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

(Signature)

EXHIBIT "A"

LEGAL DESCRIPTION

Parcel No. 1

In the City of El Monte, County of Los Angeles, State of California, Lots 8, 9 and 10 of Tract No. 10198, as shown on the map recorded in Book 175, Page 33 of Maps, in the Office of the County Recorder of said County.

Parcel No. 2

In the City of El Monte, County of Los Angeles, State of California, Lots 5, 6 and 7 of Tract No. 10198, as shown on the map recorded in Book 175, Pages 33 of Maps, in the Office of the County Recorder of said County.

PROMISSARY NOTE SECURED BY DEED OF TRUST

\$ 1,100,000.00 . Los Angeles, California, _____, 2003 .
For value received, the undersigned promises to pay this Promissary Note secured by Deed of Trust to:

COUNTY OF LOS ANGELES, a body corporate and politic, on order of the Chief Administrative Office, Real Estate Division, at 222 South Hill Street, 3rd Floor, Los Angeles, California 90012, or at such other place as the holder hereof may designate in writing, the principal sum of: ONE MILLION ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$ 1,100,000.00) with interest from the date at the rate of SIX AND ONE-QUARTER PERCENT (6.25 %) PER ANNUM on the balance remaining unpaid, on that real Property legally described in the Deed of Trust of same date securing this Note.

Principal and interest shall be due and payable annually commencing on the first anniversary of the 3035 Tyler Avenue Property Closing Date and then annually thereafter set forth as follows:

First Anniversary	\$343,750.00
Second Anniversary Date	\$326,562.50
Third Anniversary Date	\$309,375.00
Fourth Anniversary Date	\$292,187.50

Any payment not received within 15 days of each respective payment due date will incur a five percent (5%) Late Charge based on the amount of the installment due.

Should default be made in payment of interest when due, the whole sum of principal and accrued interest shall become immediately due, without notice, at the option of the holder of this note. Interest after maturity will accrue at the rate indicated above. Principal and interest are payable in lawful money of the United States. If any action be instituted on this note, the undersigned promise(s) to pay such sum as the Court may adjudge as attorney's fees. **This Promissary Note is secured by a Deed of Trust of even date herewith.**

The undersigned reserves the right to prepay, at any time, all or any part of the principal amount of this Promissary Note without penalty. Monies received in addition to a regular payment will be applied to principal if all payments are current.

Each payment shall be credited first to Late Charges, if any, then to interest accrued and last to principal, and the interest shall thereupon cease upon the principal so credited. Failure of the undersigned to make an installment of principal and interest when due may result in default and foreclosure against the Property by the Trustee as authorized in the Deed of Trust. Principal, interest, and Late Charges shall be payable in U.S. dollars in circulation at the time of execution of this Note.

This Promissary Note is secured by a Deed of Trust in which the Trustee is T.D. Service Company.

In the event of any future conveyance or transfer of this Property or any portion thereof by the undersigned, written notice must be provided to County, and the new purchaser must meet the County standards as a creditworthy borrower, and a fee of one percent (1%) of the outstanding balance of the loan will be payable to the County for processing and verifying a loan assumption application.

In the event the undersigned loses all or part of its interest in the Property, the balance of the Promissary Note owing will become due and payable. Should the undersigned not be able to pay in full the balance of Promissary Note as specified, County will have the right to notify Trustee on the Deed of Trust to force a sale of the Property by foreclosure.

Any notices which shall be required in compliance with this Promissary Note or any of the above-mentioned documents pertaining thereto, and notices or changes of address shall be in writing and effected by personal delivery or by U.S. Mail to the following addresses:

COUNTY: Chief Administrative Office
Real Estate Division
200 South Hill Street, 3rd Floor
Los Angeles, CA. 90012

UNDERSIGNED: City Manager, City of El Monte
11333 Valley Boulevard
El Monte, CA 91731-3293

IN WITNESS WHEREOF, this Promissary Note has been duly executed by the undersigned as of this date.

By _____

Name _____

Its _____

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

On _____, before me, _____

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), or the entity upon behalf of which the person(s) acted, executed the
instrument.

WITNESS my hand and official seal.

(Signature)

REQUEST FOR FULL RECONVEYANCE

To be used only when note has been paid.

To _____, Trustee Dated _____

The undersigned is the legal owner and holder of all indebtedness secured by the within Deed of Trust. All sums secured by said Deed of Trust have been fully paid and satisfied, and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel all evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, the estate now held by you thereunder.

MAIL RECONVEYANCE TO:

Do not lose or destroy this Deed of Trust or the Promissary Note which it secures. Both must be delivered to the Trustee for cancellation before reconveyance will be made.