

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

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FILER

ARDEN REALTY INC

CIK: **1013794** | IRS No.: **954578553** | State of Incorporation: **MD** | Fiscal Year End: **1231**
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SIC: **6512** Operators of nonresidential buildings

Mailing Address

9100 WILSHIRE BLVD
EAST TOWER SUITE 700
BEVERLY HILLS CA 90212

Business Address

9100 WILSHIRE BLVD
EAST TOWER SUITE 700
BEVERLY HILLS CA 90212
3102718600

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of
The Securities Act of 1934

Date of Report (Date of earliest event reported) December 5, 1997

ARDEN REALTY, INC.

(Exact name of registrant as specified in its charter)

Maryland	1-12193	95-4578533
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

9100 Wilshire Boulevard East Tower, Suite 700 Beverly Hills, California	90212
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (310) 271-8600

Item 2. Acquisition or Disposition of Assets

On December 15, 1997, Arden Realty, Inc. (collectively with its subsidiaries, the "Company") completed a series of transactions to purchase four suburban office properties totaling 979,965 rentable square feet. All the properties were purchased from unaffiliated entities.

City Centre in Fountain Valley, California contains 302,519

rentable square feet. The purchase price for the property was approximately \$33,300,000 which was based on arm's-length negotiations. The property is presently 94.0% occupied at average rents of \$13.68 per square foot. The property was purchased from Pacific Life Insurance Company, a California corporation.

Wilshire Pacific Plaza in Los Angeles, California and Glendale Corporate Center in Glendale, California contain 100,122 and 108,209 rentable square feet, respectively. The purchase price for both properties was approximately \$30,825,000 which was based on arm's-length negotiations. Wilshire Pacific Plaza is presently 66.1% occupied at average rents of \$17.40 per square foot and Glendale Corporate Center is presently 78.9% occupied at average rents of \$18.24 per square foot. These properties were purchased from The Mutual Life Insurance Company of New York, a New York mutual life insurance company.

The World Savings Building in Los Angeles, California contains 469,115 rentable square feet. The Company purchased a 75 percent interest in the property for approximately \$83,200,000 and has an option to purchase the remaining 25 percent interest in the property for \$27,500,000 which may be exercised beginning on March 15, 1998. The transactions were based on arm's-length negotiations. The property is presently 83.5% occupied at average rents of \$25.56 per square foot. The 75 percent interest in the property was purchased from 11601 Holding Corporation, a Delaware corporation, and Wilshire SV Associates, a California limited partnership. The remaining 25 percent interest in the property is currently owned by Forest City San Vicente Corporation, an Ohio corporation ("Forest").

In connection with the purchase of The World Savings Building, the Company has a \$4,000,000 note receivable from Forest. The note receivable will be due at such time the Company exercises its option to purchase the remaining 25 percent interest in The World Savings Building.

To finance these acquisitions the Company used approximately \$2,665,000 of working capital, borrowed \$78,300,000 on its line of credit from a group of banks led by Wells Fargo Bank, borrowed \$500,000 on its line of credit with City National Bank, and borrowed \$45,000,000 from an affiliate of Morgan Stanley. The \$45,000,000 mortgage note payable is secured by The World Savings Building. In addition, 826,828 operating partnership units with an approximate value of \$24,860,000 were issued by Arden Realty Limited Partnership in the connection with the purchase of The World Savings Building.

Inclusive of these acquisitions, the Company's portfolio consists of 71 suburban office properties comprising 10,167,762 rentable square feet and 16 apartment units.

Item 7. Financial Statements and Exhibits

(a) Financial statements of properties acquired.

It is impracticable to provide the required financial statements at the time of the filing of this report. The required financial statements for the acquired properties will be filed as an amendment to this Form within 60 days.

(b) Pro forma financial information.

It is impracticable to provide the required pro forma financial information at the time of the filing of this report. The required pro forma financial information will be filed as an amendment to this Form within 60 days.

(c) Exhibits.

10. 59 Purchase and Sale Agreement and Joint Escrow Instructions by and between Pacific Life Insurance Company, a California corporation, and Arden Realty Limited Partnership, a Maryland limited partnership.
10. 60 Purchase and Sale Agreement and Joint Escrow Instructions by and between The Mutual Life Insurance Company of New York, a New York mutual life insurance company, and Arden Realty Limited Partnership, a Maryland limited partnership.
10. 61 First Amendment to Purchase and Sale Agreement and Joint Escrow Instructions by and between The Mutual Life Insurance Company of New York, a New York mutual life insurance company, and Arden Realty Limited Partnership, a Maryland limited partnership.
10. 62 Addendum to First Amendment to Purchase and Sale Agreement and Joint Escrow Instructions by and between The Mutual Life Insurance Company of New York, a New York mutual life insurance company, and Arden Realty Limited Partnership, a Maryland limited partnership.
10. 63 Agreement to Acquire Certain Interest in Real Property and Escrow Instructions by and among Arden Realty Limited Partnership, a Maryland limited partnership, Arden Realty, Inc., a Maryland corporation; 11601 Holding Corporation, a Delaware corporation, Forest City San Vicente Corporation, an Ohio corporation, Wilshire SV Associates, a

California limited partnership and the constituent partners of Wilshire SV Associates.

10. 64 Acquisition Amendment to Agreement to Acquire Certain Interest in Real Property and Escrow Instructions dated December 9, 1997 by and among Arden Realty Limited Partnership, a Maryland limited partnership, Arden Realty, Inc., a Maryland corporation; 11601 Holding Corporation, a Delaware corporation, Forest City San Vicente Corporation, an Ohio corporation, Wilshire SV Associates, a California limited partnership and the constituent partners of Wilshire SV Associates.
10. 65 Letter Amendment dated November 20, 1997 to Agreement to Acquire Certain Interest in Real Property and Escrow Instructions by and among Arden Realty Limited Partnership, a Maryland limited partnership, Arden Realty, Inc., a Maryland corporation; 11601 Holding Corporation, a Delaware corporation, Forest City San Vicente Corporation, an Ohio corporation, Wilshire SV Associates, a California limited partnership and the constituent partners of Wilshire SV Associates.
10. 66 Letter Amendment dated November 26, 1997 to Agreement to Acquire Certain Interest in Real Property and Escrow Instructions by and among Arden Realty Limited Partnership, a Maryland limited partnership, Arden Realty, Inc., a Maryland corporation; 11601 Holding Corporation, a Delaware corporation, Forest City San Vicente Corporation, an Ohio corporation, Wilshire SV Associates, a California limited partnership and the constituent partners of Wilshire SV Associates.
10. 67 Letter Amendment dated December 1, 1997 to Agreement to Acquire Certain Interest in Real Property and Escrow Instructions by and among Arden Realty Limited Partnership, a Maryland limited partnership, Arden Realty, Inc., a Maryland corporation; 11601 Holding Corporation, a Delaware corporation, Forest City San Vicente Corporation, an Ohio corporation, Wilshire SV Associates, a California limited partnership and the constituent partners of Wilshire SV Associates.
10. 68 Letter Amendment dated December 3, 1997 to Agreement to Acquire Certain Interest in Real Property and Escrow Instructions by and among Arden Realty Limited Partnership, a Maryland limited partnership, Arden Realty, Inc., a Maryland corporation; 11601 Holding Corporation, a Delaware corporation, Forest City San Vicente Corporation, an Ohio corporation, Wilshire SV Associates, a California limited partnership and the constituent partners of Wilshire SV Associates.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ARDEN REALTY, INC.

Date: December 18, 1997

By: /s/ Diana M. Laing
Diana M. Laing
Chief Financial Officer

PURCHASE AND SALE AGREEMENT
And JOINT ESCROW INSTRUCTIONS

by and between

PACIFIC LIFE INSURANCE COMPANY

as

"Seller"

and

ARDEN REALTY LIMITED PARTNERSHIP

as

"Buyer"

dated November 3, 1997

PURCHASE AND SALE AGREEMENT
And JOINT ESCROW INSTRUCTIONS

By and Between

PACIFIC LIFE INSURANCE COMPANY

and

ARDEN REALTY LIMITED PARTNERSHIP

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EXHIBITS

"A"	Legal Description
"B"	Audit Letter
"C"	Rent Roll
"C-1"	Assignment of Contract
"D"	Grant Deed
"E"	Form of Tenant Estoppel Certificate
"E-1"	Form of Seller's Certificate
"F"	Assignment of Rights, Warranties and Permits
"G"	Assignment and Assumption of Service Contracts
"H"	Assignment and Assumption of Leases
"I"	Bill of Sale
"J"	Transferor's Certificate of Non-Foreign Status

PURCHASE AND SALE AGREEMENT
And JOINT ESCROW INSTRUCTIONS

This Agreement ("Agreement") is made as of this 3rd day of November, 1997, between PACIFIC LIFE INSURANCE COMPANY, a California corporation and ARDEN REALTY LIMITED PARTNERSHIP a Maryland limited partnership ("Buyer").

ARTICLE I.
Definitions

The terms set forth below shall have the following meanings:

1.1 Closing: Payment of Seller's proceeds, and delivery of the Deed in favor of Buyer, in accordance with the terms of this Agreement.

1.2 Closing Date: On or before December 4, 1997.

1.3 Earnest Money Deposit (to be credited to Purchase Price): \$500,000.

1.4 Escrow Agent: First American Title Insurance Company
114 E. Fifth Street
Santa Ana, California 92701
Attn: Judith M. Moore
Telephone No.: (714) 647-4466
Fax No.: (714) 647-2235

1.5 Improvements: The improvements consist of three (3) office buildings containing a total of approximately 302,500 rentable square feet, and all related improvements.

1.6 Leases: All leases, subleases, amendments, extensions and assignments and guarantees affecting the occupancy of the Property.

1.7 Permitted Exceptions: (i) Nondelinquent real property taxes and special assessments, if any; (ii) utility easements to service the Property which do not materially interfere with its existing use; and (iii) such title matters as Buyer shall have approved in accordance with Section 3.6 below, and such other matters as may appear as exceptions to title in accordance with Section 3.6 below.

1.8 Personal Property: All equipment, appliances, tools, machinery, supplies and other personal property owned by Seller and located at and used in connection with the operation of the Property, excluding the telephone system and related telephone equipment located in the following offices of the Property: the on-site property management office, the engineer's office, the security office, and the access phones located at each entrance to each building of the Property, which have not or will not become trade fixtures under the terms of the Leases, as more particularly described in the Bill of Sale attached hereto as Exhibit "I".

1.9 Property: The Property shall collectively include the Real Property, the Improvements, the Personal Property, if any, and all of Seller's interest in the Leases, the Service Contracts and the rights, warranties and permits described in Exhibit "F" attached hereto ("Permits").

1.10 Purchase Price: \$33,000,000.

1.11 Real Property: Those certain tracts or parcels of land described in Exhibit "A" attached hereto and by this reference made a part hereof, together with all rights, privileges and easements benefiting said land, located at 17330-17390 Brookhurst Street, Fountain Valley, California and commonly known as City Centre.

1.12 Review Contingency Date: November 19, 1997.

1.13 Service Contracts: All service contracts, management agreements, listing agreements, operating contracts and other agreements affecting the operation or use of the Property (other than Title Matters) if any.

1.14 Title Company: First American Title Insurance Company
115 E. Fifth Street
Santa Ana, California 92701
Attn: Dick Hines, National Accounts
Telephone No.: (714) 588-3211
Fax No.: (714) 541-4702

1.15 The following terms are defined in the Article or Section set forth opposite such terms:

Term	Article or Section
Advisors	3.1(c)
Amended Title Commitment	3.2
Buyer's Broker	7.2
Buyer's Title Notice	3.6(a)
Deed	5.2(a)
Documents and Materials	3.1(a)
Due Diligence Information	3.1(c)
Earnest Money Deposit	2.1
ERISA	4.1(d)
Exchange	XI
Exchange Property	XI(a)
Lender's Title Policy	5.2(d)
New Lease Obligations	4.2(b)
Opening of Escrow	3.1(a)
Owner's Title Policy	5.2(d)
PMG Lease	4.9
Permits	1.9
Property Manager	3.1(b)
Rent Roll	3.1(a) (i)
Seller's Certificate	4.8
Seller's Title Notice	3.6(b)
Suite 180 Work	4.10
Survey	3.2
Tenant Estoppel Certificate	4.8
Tenant Notification Letters	5.2(h)
Title Commitment	3.2
Title Matters	3.6(a)
Work Contract	4.10

ARTICLE II.
Agreement of Purchase and Sale

2.1 Subject to the terms and conditions of this Agreement, Seller agrees to sell the Property to Buyer, and Buyer agrees to purchase the Property from Seller and to pay the Purchase Price therefor. Upon full execution of this Agreement, but in no event later than two (2) business days following such execution, Buyer shall deposit with Escrow Agent, in the form of a wire transfer of funds, the sum of \$500,000 (the "Earnest Money Deposit"), together with a fully executed copy of this Agreement. Any deposit made by Buyer to Seller or Seller's representative prior to the Opening of Escrow shall be deemed to constitute part of the Earnest Money Deposit and shall be delivered to Escrow Agent by Seller or its representative promptly upon the Opening of Escrow, as defined herein. Upon the Review Contingency Date, in the event Buyer has not elected to terminate this transaction in accordance with the terms of Article III of this Agreement, the Earnest Money Deposit shall be deemed non-refundable to Buyer, except as a result of Seller's default or as a result of the failure of a condition of the Closing in favor of Buyer which is not waived in writing by Buyer on or prior to Closing. All interest on the Earnest Money Deposit will accrue to the benefit of Buyer, and Buyer shall be solely responsible for delivering, at Buyer's option, written instructions to the Escrow Agent concerning the investment of the Earnest Money Deposit or any portion thereof which is held by Escrow Agent, in accordance with the customs and practices of Escrow Agent. At the close of this transaction, the Earnest Money Deposit shall be credited against the Purchase Price and disbursed to Seller along with the balance of the Purchase Price.

2.2 At least one day before the Closing Date Buyer shall cause such balance of the Purchase Price to be delivered directly to the Escrow Agent for the account of Seller, by wire transfer in immediately available funds, less any credits due to Buyer, plus all sums necessary to pay Buyer's prorations in connection with this transaction. On or before Closing, Seller shall provide Escrow Agent with written wiring instructions identifying the financial institution and the name and number of the account to which Seller's proceeds shall be transferred and credited prior to the close of business of such financial institution on the Closing Date.

2.3 The Closing shall be held at 9:00 a.m., local time, on the Closing Date at the office of Escrow Agent, or at such other time or such other place as may be mutually agreed upon in writing by the parties.

ARTICLE III.

Execution of Agreement; Conditions Prior to Closing Date

3.1 (a) Upon full execution of this Agreement, the party last executing same shall date this Agreement in the space provided on the facing page and on page 1 herein, and shall deliver three (3) fully executed originals of this Agreement to the Escrow Agent and a facsimile copy of the signature page(s) to the other party. Escrow Agent shall thereupon execute all three originals of this Agreement and immediately deliver one fully executed original to Seller, and one fully executed original to Buyer. The date of transmittal by Escrow Agent to Buyer and Seller of this Agreement, as fully executed by Seller, Buyer

and Escrow Agent, shall hereinafter be referred to as the "Opening of Escrow".

To the extent not already furnished or made available to Buyer prior to the Opening of Escrow, Seller shall furnish to Buyer, on or before the Opening of Escrow, copies of the following documents and materials ("Documents and Materials"):

(i) A rent roll for the Property (the "Rent Roll"), setting forth for each tenant the tenant's name, square footage occupied, unit number, monthly rent, percentage of common area expense reimbursement, lease expiration date (if any), and security deposits actually held by Seller or Property Manager at such time, if any. In addition, under separate cover, Seller shall furnish to Buyer the amount of any prepaid rents and the period for which same have been paid and the amount of any delinquent rents and/or any other arrearages;

(ii) Copies of all Service Contracts;

(iii) Copies of the most recent property tax bills received by Seller or Property Manager;

(iv) Copies of the Leases affecting the Property; and

(v) Seller's customary monthly management, revenue and expense reports, prepared by Seller and based upon data furnished to Seller by the Property Manager (including operating statements), for 1995, 1996 and for year-to-date 1997, followed by periodic updates of such items customarily prepared by Seller or Property Manager following the Opening of Escrow.

In addition, Seller shall furnish to Buyer or make available to Buyer, to the extent not already furnished or made available to Buyer prior to the Opening of Escrow, the following items, all of which shall be deemed to be "Documents and Materials" within the meaning of this Agreement, to the extent such Documents and Materials are in the actual possession of Seller or Seller's Property Manager:

(vi) A site plan for the Property;

(vii) A list of the Personal Property, if any, maintained at the Property and necessary for the continued operation thereof, to be transferred to Buyer at Closing pursuant to the Bill of Sale attached hereto as Exhibit "I";

(viii) Copies of the certificate(s) of occupancy for the Property, along with any certifications from governmental agencies in connection with the operation of the Improvements;

(ix) Maintenance reports for 1996 and year-to-date 1997 and records of any capital improvements made to the Property during the same period of time; and

(x) Copies of the most recent existing soils, environmental and engineering reports relating to the Property or the Improvements including,

without limitation, the most recent Phase I environmental study or report relating to the Property, if any, provided such matters have been based upon tests and/or studies performed during Seller's period of ownership; provided, Buyer acknowledges that any such items shall be delivered or made available without any representation or warranty regarding the accuracy, completeness or any other aspect of such matters.

(b) Buyer shall have the right to review such records and documents relating to the ownership and operation of the Property as Buyer may reasonably deem appropriate in connection with its due diligence efforts. At any reasonable time during the term of this Agreement, Seller shall, at Buyer's request and at Buyer's sole cost and expense, provide to Buyer's designated independent auditor access to Seller's books and records regarding the Property for the period for which Buyer is required to have audited financial statements prepared with respect to the Property as may be required by the Securities and Exchange Commission, to the extent that such books and records are in Seller's possession and control and relate to the period during which Seller held title to the Property. Further, Seller agrees, on a one-time basis at Buyer's sole, reasonable cost and expense, to provide a representation letter regarding the books and records of the Property in substantially the form of Exhibit "B" attached hereto, in connection with the normal course of auditing the Property in accordance with generally accepted accounting standards. Seller shall assist and cooperate with Buyer as may be reasonably necessary to facilitate Buyer's investigation, due diligence and review pursuant to this Section 3.1, including access to the files and documents (including, without limitation, tenant files and accounting records for the Property) containing information pertaining to the Property which are maintained at the office of Seller's Property Manager(s), PM Realty Advisors, ("Property Manager") on site at the Property and which have been prepared during Seller's period of ownership; provided, Buyer shall not be entitled to examine records and documents at Seller's home office.

(c) All Documents and Materials supplied to or made available to Buyer or Buyer's Advisors by Seller as provided in this Section 3.1 are confidential in nature and shall not be released or disclosed by Buyer to any other parties except as set forth in the further provisions of this Section 3.1. All Documents and Materials shall be delivered to Buyer without representation or warranty of any kind from Seller. In the event the Closing of this transaction does not occur for any reason, then Buyer shall return promptly to Seller all of such Documents and Materials, along with copies of any reports, studies, analyses, test results or other environmental documents which are: (i) prepared by or on behalf of Buyer or its agents in the course of Buyer's due diligence investigation; or (ii) furnished or made available by Seller to Buyer pursuant to this Section 3.1 or other applicable section of this Agreement (collectively, the "Due Diligence Information"). In consideration of the Documents and Materials being made available to Buyer, it is understood and agreed that Buyer shall treat all Due Diligence Information confidentially, in accordance with the provisions of this paragraph. Seller's Documents and Materials are to be used solely for purposes of the performance of Buyer's due diligence hereunder and no Due Diligence Information shall be disclosed or delivered by Buyer to any person or entity other than Buyer's

attorneys, directors, officers, employees, agents, representatives and consultants, who must be advised of such matters for the purpose of evaluating Buyer's acquisition of the Property (collectively the "Advisors"). The Advisors shall be informed by Buyer of the confidential nature of the Due Diligence Information, shall be directed by Buyer to treat the Due Diligence Information confidentially, and shall agree to be bound by the provisions of this Subsection and to disclose the Due Diligence Information only to the persons and/or entities to whom Buyer is authorized to disclose such matters pursuant to the provisions of this paragraph. Buyer shall not, and shall direct that the Advisors do not, disclose the fact that this Agreement has been executed, or the status of any matter under this Agreement, without Seller's prior written consent to such disclosure and approval of the form thereof. The parties hereto acknowledge that Buyer is a publicly traded Real Estate Investment Trust (REIT) and that the provisions of this Section 3.1 (c) shall not prohibit Buyer from making those disclosures required by, and solely for the purpose of complying with, the regulations of the Securities and Exchange Commission in connection with the operation of the REIT; provided, however, that during the term of this Agreement, Buyer shall provide Seller with prior written notice of its intent to make each such disclosure. Notwithstanding anything contained herein, it is understood and agreed by the parties that all press releases or other public announcements relating to Buyer's purchase of the Property (other than any disclosures compelled by law, an order of a court of competent jurisdiction or a valid subpoena) shall be subject to the prior written approval of the other party hereto, which approval may be granted or withheld in the sole discretion of such other party. Buyer shall defend, protect, indemnify and hold harmless Seller from and against all claims, demands, causes of action, liabilities, losses, damages or expenses asserted against or incurred by Seller by reason of Buyer's unauthorized disclosure of such information in violation of this Section 3.1.

3.2 On or before the Opening of Escrow, Title Company and/or Seller shall deliver to Buyer: (i) a Title Commitment for the Property, contemplating the issuance of ALTA Extended Coverage (1970 Form B, if available from the Title Company) Owner's Policy of Title Insurance or equivalent thereof ("Title Commitment") issued by the Title Company, in the form customarily used by the Title Company in California, showing title to the Property vested in Seller and committing to issue ALTA Extended Coverage (1970 Form B, if available from the Title Company) Owner's Policy of Title Insurance (or equivalent thereof, subject to variations in conformance with local custom and practice), showing title thereto vested in Buyer, with coverage in the amount of the Purchase Price specifying all easements, liens, encumbrances, restrictions, conditions or covenants of record with respect to the Property and including legible copies of all documents referred to as exceptions to title in the Title Commitment which are available to the Title Company, along with copies of all documents noted therein as specifically recorded exception to title; and (ii) the most recent available survey of the Property, if any (the "Survey"), for the purpose of causing the Title Company to remove the standard general survey exception(s) from the Owner's Title Policy described in Section 5.2(d) herein and substituting therefor any specific survey exceptions disclosed by the Survey. Within ten (10) days of the Opening of Escrow, Seller shall, at Seller's cost, deliver or cause to be delivered to Buyer a new or updated

Survey (to the extent the prior Survey, if any, is insufficient for the Title Company to remove the standard general survey exception((s) as described above) and updated Title Commitment ("Amended Title Commitment") setting forth any new or additional exceptions to title shown or disclosed by the Survey or updated survey (if any). Notwithstanding the foregoing, Seller's failure to cause the updated Survey (if necessary) and the Amended Title Commitment to be delivered to Buyer within the ten (10) day period set forth herein, despite Seller's and Buyer's reasonable good faith efforts, shall not be deemed to be a default by Seller hereunder. The Survey shall be an as-built Survey, prepared by a surveyor registered in the State of California.

3.3 [Intentionally Omitted]

3.4 (a) Buyer shall have until 5:00 p.m. (Pacific Time) on the Review Contingency Date to complete, at its own expense, an inspection of the condition of the Property, including verification of current zoning of the Property, and such structural or soils tests or environmental reports as Buyer may contract for. Buyer shall notify Seller in writing, no later than 5:00 p.m. (Pacific Time) on the Review Contingency Date, of its disapproval of or any objection to the condition of the Property (including, without limitation, the physical condition of the Property and the matters listed in Section 3.1 above), in Buyer's sole, absolute and subjective discretion, whereupon this Agreement shall terminate in accordance with Section 3.8 herein. Failure to provide Seller with such written disapproval or objection under this Section 3.4 on or before 5:00 p.m. (Pacific Time) on the Review Contingency Date shall be deemed to constitute approval by Buyer of the condition of the Property, whereupon this Agreement shall remain in full force and effect.

(b) Seller shall permit Buyer and its representatives full access during normal business hours to make such inspections and tests as Buyer deems necessary to complete its physical review of the Property. Such inspection shall take place upon not less than 24 hours notice to Seller, shall be made at Buyer's own expense, and shall take place only by appointment arranged through Lydia Kennedy ("Seller's Representative") and with a representative of Seller present at all times, and shall be subject to the rights of tenants and/or other occupants of the Property.

(c) Buyer shall be responsible for obtaining copies of any additional documentation or information concerning the Property as Buyer may deem appropriate in connection with Buyer's due diligence, which shall be coordinated with and obtained through the Property Manager, with the cooperation of Seller. Buyer shall have the right to contact such persons or entities as Buyer may reasonably deem appropriate in connection with its due diligence efforts and Seller shall cooperate with Buyer in arranging interviews and meetings for Buyer with any such persons; provided, neither Buyer nor its agents, consultants or representatives shall contact any tenant(s) of the Property without the prior written consent of Seller, which consent shall not be unreasonably withheld, provided that Buyer's contact with any tenant shall, at Seller's option, be arranged by and conducted in the presence of Seller's Property Manager or other designated representative.

(d) Seller shall assist and cooperate with Buyer as may be reasonably necessary to facilitate Buyer's investigation, due diligence and review pursuant to this Section 3.4, including Buyer's physical inspection of the Property in order to conduct engineering studies, soil tests and any other inspection and/or tests that Buyer may deem necessary or advisable; provided, Buyer shall not be entitled to perform any tests of any kind which involve drilling, boring, excavation, groundwater testing or similar intrusive or invasive action on or under the surface of the Property without Seller's prior written consent following not less than two (2) business days' written notice setting forth in reasonable detail the nature, extent and location of such tests and the name and contact person of the contractor selected to perform such tests, which consent may be withheld by Seller in its sole and absolute discretion. Failure of Seller to affirmatively consent to such tests or other matters within the time period set forth herein shall constitute Seller's refusal to consent to the performance of such tests or other matters. Buyer shall treat the results of all such tests consented to by Seller as confidential and shall not, except as expressly provided in this Agreement, disseminate the results of such tests, in any form, written or verbal, to any third party and shall cause its consultants to agree in writing to do the same. Buyer shall deliver to Seller copies of all reports, analyses and test results promptly upon Buyer's receipt of same, without warranty or representation from Buyer of any kind.

(e) Buyer shall defend, indemnify and hold Seller harmless from and against any and all claims, demands, causes of action, liabilities, damages, losses or expenses (including, without limitation, Seller's reasonable attorneys' fees) asserted against or incurred by Seller and resulting from any act or omission of Buyer or Buyer's agents, employees, representatives or consultants relating to Buyer's inspection and testing pursuant to this Section 3.4.

3.5 If Buyer disapproves the condition of the Property pursuant to Section 3.4, within the time period provided therein, this Agreement shall terminate in accordance with Section 3.8 and Section 3.9 herein. Without limiting the application of any other provision of this Article III, upon such disapproval, Buyer shall promptly return to Seller hereunder all copies of the Due Diligence Information including, without limitation, any other materials and/or documents furnished or made available to Buyer in connection with its review of the Property and a copy of any environmental reports, studies or analyses (along with all back-up data) performed in connection with Buyer's due diligence activities hereunder.

3.6 (a) Buyer shall have until the earlier of: (i) the Review Contingency Date; or (ii) the date which is five (5) days following its receipt of the updated Survey and Amended Title Commitment in which to give Seller and Escrow Agent written notice ("Buyer's Title Notice") of Buyer's disapproval, which may be based on Buyer's sole, absolute and subjective discretion, or conditional approval of the legal description or any matters shown in the Survey, the Amended Title Commitment, all documents referred to in the Amended Title Commitment and all matters disclosed therein (collectively the "Title Matters"). For purposes of this Section 3.6, recertification of the Survey,

written notations of matters shown thereon, or addition of similar ministerial matters shall not delay the time period for delivery of Buyer's Title Notice, or the scheduled Closing Date. In the event the Survey (and any updates thereto) and Amended Title Commitment are not received by Buyer within the time periods set forth in Section 3.2 herein, such failure shall not be deemed to be a default by Seller hereunder; provided, however, in the event Seller is unable to cause such items to be timely delivered to Buyer for any reason, the date for delivery of Buyer's Title Notice, as provided in this Section 3.6, shall be extended on a day-to-day basis until delivery of such items to Buyer, and the Review Contingency Period shall be extended for the same number of days with respect to, and solely for the purpose of, extending the date for delivery of Buyer's Title Notice. The failure of Buyer to timely give Buyer's Title Notice shall be deemed to constitute Buyer's approval of the legal description and all Title Matters.

(b) If Buyer timely disapproves or conditionally approves any Title Matters, Seller may, within five (5) days after receipt of Buyer's Title Notice, elect to eliminate some or all of the disapproved or conditionally approved Title Matters. In such event, Seller may give Buyer written notice ("Seller's Title Notice") of those disapproved or conditionally approved Title Matters, if any, which Seller shall attempt to cause the Title Company to eliminate from the Owner's Title Policy as exceptions to title to the Property.

(c) If Buyer approves of Seller's Title Notice within three (3) days of receipt thereof, Seller covenants and agrees to use reasonable efforts to cause the Title Company to eliminate from the Owner's Title Policy, as exceptions to title to the Property, those disapproved Title Matters set forth in Seller's Title Notice; provided, that if as of one (1) business day prior to the Close Date Seller has been unable, despite reasonable efforts, to cause the Title Company to agree to eliminate as exceptions to title any such Title Matters which Seller elected in Seller's Title Notice to attempt to cause to be so eliminated, Seller shall not be in default hereunder, and Buyer may by written notice to Seller either : (a) terminate this Agreement in accordance with Section 3.8 and Section 3.9 herein; or (b) accept title in its then existing condition, and proceed to Closing the Property as otherwise provided herein. Failure of Buyer to deliver to Seller written disapproval of Seller's Title Notice within such three (3) day period following its receipt thereof shall be deemed to constitute Buyer's approval of Seller's Title Notice. Once Buyer shall have approved, or have been deemed to approve, the Title Matters, Buyer shall not have the right to withdraw such approval; provided, however, that if thereafter the Title Company discloses to Buyer a new title exception, then Buyer shall have three (3) days from its receipt of such notice from the Title Company with respect to any such new title exception to approve or disapprove the same by written notice to Seller as provided in Section 3.6, and the Closing Date may be extended solely for the purposes of, and only to the extent necessary, to permit delivery of Buyer's and Seller's Title Notices in connection therewith as provided for in Section 3.6.

(d) If Seller does not elect to eliminate any disapproved or conditionally approved Title Matters (which election may be based, in whole or in part, upon the cost to eliminate such Title Matter(s), regardless of the

party obligated herein to pay such cost or the party which may otherwise agree to pay for such cost), or Buyer disapproves of Seller's Title Notice by written notice to Seller within three (3) days of Buyer's receipt thereof, then this condition shall be deemed to have failed, and Buyer may, by written notice to Seller on or before the later of: (i) the time period for delivery to Seller of Buyer's disapproval of Seller's Title Notice, pursuant to subsection (c) above; or (ii) the Review Contingency Date, either: (A) terminate this Agreement in accordance with Section 3.8 and Section 3.9 herein; or (B) accept title in its then existing condition, which shall constitute a waiver by Buyer of any such disapproved and uncured Title Matters, and proceed to Closing on the Property as otherwise provided herein.

(e) Other than liens for non-delinquent property taxes and assessments, Seller shall either satisfy, or otherwise cause to be removed any monetary encumbrances at or before Closing as exception(s) to title in the Owner's Title Policy

3.7 (a) Seller shall notify Buyer of any damage, or destruction, or threatened condemnation to the Property, which notice shall contain Seller's good faith estimate of the cost to repair such damage, as soon as practicable after Seller receives notice of such occurrence. If, prior to Closing, all or a material part of the Property is destroyed by fire or other casualty or is threatened to be taken or is taken by eminent domain, either Buyer or Seller may terminate this Agreement in accordance with Section 3.8 and Section 3.9 herein by written notice to the other party within five (5) business days of receipt of notice of the damage or condemnation. If neither Buyer nor Seller terminates this Agreement within the time provided, Buyer shall be deemed to have waived the destruction or taking, and this transaction shall be completed as provided in this Agreement, without reduction in the Purchase Price (except to the extent of the deductible under Seller's casualty policy and any non-insured portion of the loss but only in the event Seller does not elect, in its discretion, to repair such damage), and Buyer shall be entitled to receive all insurance proceeds, if any, and eminent domain awards, if any, applicable to the destruction, damage or taking, other than proceeds and awards constituting reimbursement to Seller for repair or restoration work to the Property resulting from such destruction, damage or taking, and performed prior to Closing. Any termination of this Agreement pursuant to this Section 3.7 due to damage, destruction or a taking of the Property shall constitute a termination of this entire Agreement and this transaction, whereupon the provisions of Section 3.8 shall apply. Nothing in this Section 3.7 shall affect the provisions of Section 3.9 herein.

(b) Seller shall, at Closing and thereafter, execute and deliver to Buyer all required proofs of loss, and assignments of claims and awards. The term "material part" as used in this Section 3.7 shall be deemed damaged or destroyed within the meaning of this Section if: (i) the cost of restoring the Property to its condition prior to the fire or other casualty causing loss, in Seller's good faith business judgment, will exceed \$200,000 or (ii) a part of the Property shall be taken or threatened to be taken by eminent domain (which threatened taking shall be in the form of a formal written notice from the appropriate governmental authority), and such taking or threatened taking shall

result in the unavailability for leasing or occupancy, at market rates and on market terms, more than five percent (5%) of the then current rental receipts from the Property for a period of more than three (3) months from the Closing Date.

3.8 Should a termination occur under the terms of this Agreement: (i) Escrow Agent shall refund to Buyer the Earnest Money Deposit, and any accrued interest thereon which was earned while in the possession of Escrow Agent, then held by Escrow Agent; (ii) Buyer and Seller shall have no further liability to each other under this Agreement, except for any liability accruing under Buyer's indemnification and/or confidentiality obligations to Seller under Sections 3.1, 3.4, 4.2 and/or 7.2, which liability shall survive the termination of this Agreement; and (iii) Buyer shall have no right or claim to or against the Property or any portion thereof, absent a written agreement to the contrary between the parties, as referenced in Section 3.9 herein. Upon such termination, the provisions of Article VI shall apply.

3.9 Disapproval by Buyer pursuant to this Article III with respect to the Property, accompanied by termination of this Agreement in accordance with the terms hereof, shall be deemed to constitute disapproval and termination of this Agreement with respect to the Property, absent a written agreement executed by the parties, whereupon this Agreement shall terminate in its entirety pursuant to Section 3.8 herein.

ARTICLE IV.

Representations, Warranties and Covenants of Seller and Buyer

4.1 Seller covenants and agrees with Buyer that, between the date hereof and the Closing Date:

(a) Seller shall: (i) cause the Property to be maintained in accordance with all applicable laws; (ii) maintain and operate the Property in the same manner as is consistent with the operation and maintenance of the Property during the period of Seller's ownership of the Property; (iii) keep all insurance policies pertaining to the Property in full force and effect; and (iv) promptly advise Buyer of any litigation, arbitration or administrative hearing which concerns the Property or may affect Seller's ability to consummate the transaction contemplated hereby, of which Seller has actual knowledge. Without limiting the foregoing provisions of this Subsection (a), Seller shall have no obligation to perform any capital improvements on the Property unless agreed upon in writing between the parties prior to the Closing Date, in the sole discretion of each party.

(b) If Seller acquires knowledge of any material defect, error or omission in any of Seller's Documents and Materials, Seller shall promptly give Buyer notice with detailed information of such defect, error or omission, and notwithstanding the Contingency Review Date, Buyer shall have five (5) business days from receipt of such notice to submit written objections thereto. Buyer's failure to deliver written objection to Seller within said period shall be deemed to constitute Buyer's waiver of the information contained in said notice

and the effect thereof upon the Property and this transaction.

(c) Seller shall not enter into any binding contract to sell or convey the Property, or enter into any letter of intent for such sale, whether binding or non-binding, with a third party. Upon termination of this Agreement in accordance with the terms hereof, the provisions of this Subsection (c) shall be null and void and of no further force and effect.

(d) There are not, as of the date of this Agreement, and shall not be as of the Closing, any unfunded, vested liability or employer withdrawal liability under the Employee Retirement Income Security Act of 1974 or the Multi-Employer Pension Plan Amendment Act of 1980 ("ERISA") with respect to any union contracts, pension plans, profit sharing plans and/or employee benefit plans related to Seller and the Property.

4.2 (a) Seller shall keep Buyer informed of any negotiations or discussions regarding material terms, new Leases or amendments thereto, or termination of existing Leases, promptly upon the occurrence of same and shall, at Buyer's request, provide Buyer with a copy of any such new Lease or amendment. From and after the date of this Agreement, Seller shall not enter into any new Leases, or amendments or terminations of existing Leases at the Property except: on such other terms as may have been approved by Buyer, which approval may not be unreasonably withheld by Buyer; provided, however, in the event Buyer does not disapprove of any such matter within three (3) business days following Buyer's receipt from Seller of the proposed material terms of any such new Lease or amendment thereto, Buyer shall be deemed to have approved such new Lease or amendment thereto and Seller shall thereupon be free to enter into any such new Lease or amendment. Except as set forth herein, from and after the Opening of Escrow, Seller shall not take any action or execute any document which would create a new interest in the Property or cause to be incurred any material liability with respect thereto. In addition, Seller shall not, following the Opening of Escrow, enter into any Service Contract having a material impact on the Property or its operations which shall survive the Closing or which cannot be canceled upon thirty (30) days notice (except in the event of an emergency and/or the inability of any service provider to continue to discharge its duties under an existing Service Contract), without the prior written approval of Buyer, which shall not be unreasonably withheld. Failure of Buyer to respond to Seller's request for any approval under this paragraph within three (3) business days from receipt of such request shall be deemed to constitute Buyer's approval of same and Seller shall be free to enter into such new Lease, or amendment to Lease or new Service Contract during the pendency of this Agreement. Any such new Lease or amendment thereto entered into after the date of this Agreement shall be deemed to be a New Lease Obligation, as defined in the further provisions of this Section 4.2.

(b) As a condition of Closing, Buyer shall pay for all leasing commissions and tenant improvement costs or allowances incurred in connection with any lease transaction described herein entered into by Seller and approved by Buyer in accordance with Subsection (a) above after the date of this Agreement and prior to Closing in accordance with this Section 4.2 ("New Lease Obligations") as well as any leasing commissions, tenant improvement costs or

allowances or other compensation due under existing Leases by reason of an extension of term, renewal of such Lease, expansion of space or exercise of an option for a period which commences following the Closing Date. Notwithstanding the foregoing, Buyer acknowledges Space Vector Corporation's request to renew its Lease for a three (3) year period commencing on November 1, 1997, and Buyer agrees to credit Seller through escrow at the Closing for Buyer's share of the \$2,387.25 Lease commission due for and attributable to that portion of the Lease renewal term running from and after the Closing Date. Buyer shall indemnify, defend, protect and hold Seller harmless from all claims, demands, causes of action, liabilities, losses and/or damages asserted against and/or incurred by Seller in connection with Buyer's failure to perform its obligations pursuant to this Section 4.2. Buyer's indemnification obligations hereunder shall survive the Closing Date or earlier termination of this Agreement by Seller pursuant to Article IX in the event of a default by Buyer.

4.3 Effective as of the Closing Date, Seller shall assume all existing Service Contracts affecting the Property, excluding the current management, leasing and listing agreement. Seller shall terminate its existing management, leasing and listing agreements affecting the Property, effective as of the Closing Date, and Seller shall pay all expenses of such termination.

4.4 Seller represents and warrants on its own behalf, now and as of the Closing Date, that:

(a) Seller has the full right, power and authority to enter into this Agreement and to sell the Property to Buyer as provided herein and to carry out Seller's obligations hereunder, and the individuals executing this Agreement on behalf of Seller are fully authorized to do so.

(b) To Seller's knowledge, there are no pending claims, suits, actions, arbitrations or regulatory, legal, or other proceedings or investigations affecting the Property or Seller's rights and obligations under this Agreement, other than as disclosed to or discovered by Buyer prior to the Review Contingency Date, pursuant to Section 3.1 or otherwise. To Seller's knowledge, there is no pending condemnation of the Property, or any part of it.

(c) There are no tenant Leases currently in force or effect for the Property and no security deposits or other sums due tenants which are actually held by Seller or Property Manager except as specified on the Rent Roll attached hereto as Exhibit "C" (and as may be updated prior to the Closing to account (in part) for the use or application of any such security deposit(s) by Seller in accordance with the Leases) and, to Seller's knowledge, Exhibit "C" lists all Leases and tenancies, if any, with respect to the Property or any part thereof, as of the date hereof.

(d) All of Seller's representations and warranties set forth in this Section 4.4 shall be true and correct in all material respects as of the Closing Date.

(e) To Seller's knowledge, Seller has not received any written

notice of any material violation of any applicable laws, ordinances, rules, requirements, regulations, building codes or environmental rules of any governmental agency, body or subdivision thereof bearing on the Property and the construction of the Improvements.

(f) To Seller's knowledge: (i) all documents delivered by Seller to Buyer pursuant to this Agreement are true, accurate, correct and complete copies of originals; (ii) and any and all information prepared by Seller or at Seller's direction and supplied to or made available to Buyer by Seller in accordance with this Agreement is true, accurate, correct, and complete.

(g) To Seller's knowledge, there are no maintenance contracts, service contracts or any other contracts (whether oral or written) affecting or relating to the Property which will survive the Closing Date, except as approved by Buyer. At the Closing Date, there will be no outstanding contracts entered into by Seller for the construction of any capital improvements (not including normal repairs and maintenance) which have not been fully paid for, and Seller shall cause to be discharged all mechanic's and materialmen's liens arising from any labor or materials furnished to the Property prior to the Closing Date.

(h) Except for any matters disclosed in the Documents and Materials, Seller has received no written notice, from the date Seller first acquired ownership of the Property to the date of this Agreement, of: (a) any Hazardous Material Activity in, on or from the Property or (b) the presence of any Hazardous Materials in, on or under the Property or any real property adjoining the Property. To Seller's knowledge, the Property has not been used for any Hazardous Material Activity from and after the date on which Seller acquired ownership of the Property and Seller has received no written notice of any proceeding or threatened proceeding with respect to the presence or possible presence of Hazardous Materials on the Property or the migration thereof from or to adjoining real property from and after the date on which Seller acquired ownership of the Property. For purposes of this Subsection (h), "Hazardous Materials" shall include, without limitation, substances defined as "hazardous substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601 et seq; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801 et seq; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq; and those substances defined in such terms in applicable provisions of the laws of the State of California and/or in the regulations adopted and publications promulgated pursuant to said laws. In addition, the term "Hazardous Material(s) Activity" as used herein shall mean the use, generation, manufacture, storage and/or disposal of Hazardous Materials on, under or about the Property or transportation of Hazardous Materials to or from the Property.

(i) To Seller's knowledge, Seller has not received any written notice that there are any physical or mechanical defects or deficiencies in the condition of the Property which would impair the operation or use thereof, including, but not limited to, the roofs, exterior walls or structural components of the Improvements and the heating, air conditioning, plumbing, ventilating, utility, sprinkler and other mechanical and electrical systems,

apparatus and appliances located on the Property or in the Improvements.

(j) There are no attachments, execution proceedings, assignments for the benefit of creditors, insolvency bankruptcy reorganization or other proceedings pending or threatened against Seller, not are any such proceedings contemplated by Seller.

As used in this Section 4.4 herein, Seller's "knowledge" means the actual knowledge of John Mulvihill and Lydia Kennedy as the Vice-President and Director of Asset Management of Seller, respectively, responsible for the monitoring and limited supervision of the Property Manager for the Property, without duty to inspect the Property or make any independent investigation; provided, it is contemplated that such individuals have reasonably discharged such monitoring and limited supervision of the Property Manager in accordance with Seller's customary practices concerning properties acquired for similar purposes, and will continue to do so until the Closing Date.

Notwithstanding anything to the contrary contained in this Agreement, if Buyer has actual knowledge that any representation or warranty of Seller is not true and correct as of the Closing Date and shall elect to acquire the Property notwithstanding such fact, Buyer shall be deemed to have waived such specific breach of representation and warranty and to have released Seller from all liability or responsibility in connection therewith, and neither Buyer nor Buyer's permitted assignees or successors shall be entitled to commence any action or to recover damages from Seller based upon such specific breach of a representation and warranty.

4.5 Except as otherwise represented and warranted in Section 4.4 herein, Seller hereby specifically disclaims any warranty, guaranty or representation, oral or written, past, present or future, of, as to, or concerning the following matters regarding the Property:

(i) the nature and condition of the Property, including, but not limited to the water, soil and geology, and the suitability thereof and of the Property for any and all activities and uses which Buyer may elect to conduct thereon;

(ii) the nature and extent of any right-of-way, possession, lien, encumbrance, license, reservation, condition or otherwise;

(iii) the compliance of the Property or its operation with any laws, ordinances or regulations of any government or other body;

(iv) the quality, nature, adequacy and physical condition of the Property, including, but not limited to, the structural elements, foundation, appurtenances, access, landscaping, parking facilities and the electrical, mechanical, HVAC, plumbing, sewage and utility systems, facilities and appliances;

(v) the existence, quality, nature, adequacy and physical condition of utilities serving the Property;

(vi) the zoning or other legal status of the Property or any other public or private restrictions on the use of the Property;

(vii) the presence of any hazardous substances on, under or about the Property or the adjoining or neighboring property;

(viii) the quality of any labor and materials used in any Improvements on the Real Property; and

(ix) the possible right of any third party(ies) to use any common area of the Property for community services, performances, public interest information, school activities and similar matters, if applicable; and

(x) the economics of the operation of the Property.

Except as provided herein, in consideration of Buyer's receiving access to the Property as set forth in Article III herein so that Buyer may conduct such studies, costs, investigations, inspections and analyses with respect to the Property as Buyer might desire, Buyer acknowledges and confirms that unless Buyer elects to terminate this Agreement as provided herein, Buyer shall accept Seller's conveyance of the Property to Buyer in an "AS-IS" and "WHERE-IS" condition, free of any warranty by Seller, except as otherwise expressly provided in this Agreement, and free of any obligation by Seller to perform any repairs or other improvement work with respect to the Property. Buyer expressly acknowledges that, in consideration of the agreements of Seller herein, except as otherwise specified in this Agreement, SELLER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, CONCERNING THE PROPERTY, INCLUDING, BUT IN NO WAY LIMITED TO, ANY WARRANTY OF CONDITION, HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. NOTWITHSTANDING ANYTHING TO THE CONTRARY IMPLIED IN THIS AGREEMENT, SELLER AFFIRMS, ACKNOWLEDGES AND AGREES THAT THE FOREGOING LIMITATIONS AND DISCLAIMERS IN THIS AGREEMENT ARE NOT INTENDED TO ABROGATE, NULLIFY OR OVERRIDE THE EXPRESS COVENANTS, WARRANTIES AND REPRESENTATIONS OF SELLER SET FORTH IN SECTIONS 4.1, 4.2, 4.3, AND 4.4 HEREIN AND, TO THE EXTENT THE FOREGOING DISCLAIMERS ARE DEEMED TO BE IN CONFLICT WITH THE PROVISIONS OF EITHER OF SAID SECTIONS 4.1, 4.2, 4.3 AND 4.4, THE PROVISIONS OF SUCH SECTIONS SHALL CONTROL.

4.6 Buyer represents and warrants now and as of the date of Closing that:

(a) If Buyer (or any permitted assignee of Buyer under Section 12.2 herein) is a partnership or corporation (including, without limitation, a limited liability corporation or company), it is duly organized, validly existing and in good standing under the laws of the state of its formation.

(b) Buyer has the full right, power and authority to purchase the Property from Seller as provided herein and to carry out Buyer's obligations hereunder, and the person or persons executing this Agreement on behalf of Buyer is/are fully authorized to do so.

(c) Buyer's purchase of the Property at Closing shall constitute its

certification that Buyer, except as expressly warranted and represented by Seller herein, : (i) has inspected and is familiar with the Property; (ii) has had the opportunity to have prepared for Buyer's review such soils, engineering, environmental or hazardous substance reports or such other reports or inspections of any nature relating to the Property as Buyer deemed appropriate; (iii) has purchased the Property on an "AS IS" and "WHERE-IS" basis, relying solely on Buyer's own examination and inspection of the Property, and the express representations contained herein.

(d) All of Buyer's representations and warranties under this Section 4.6 shall be true and correct in all material respects as of the Closing Date.

4.7 All representations, warranties and covenants of Seller and Buyer under this Article IV shall survive the Closing; provided, however, that any claim, action, suit or proceeding with respect to the truth, accuracy or completeness of such representations and warranties must be commenced, if at all, on or before nine (9) months from the Closing Date.

4.8 Seller shall use its good faith and commercially reasonable efforts to obtain tenant estoppel certificates (collectively, "Tenant Estoppel Certificates" and individually, a "Tenant Estoppel Certificate") duly executed by all of the tenants occupying space in the Improvements. The Tenant Estoppel Certificates shall be in the form of, and upon the terms contained in, Exhibit "E" attached hereto, with such modifications for any particular tenant as may be reasonably requested by Buyer and reflected in the Lease for such tenant(s). Seller shall use its good faith and commercially reasonable efforts to deliver the original executed Tenant Estoppel Certificates of Systems Tax Service, Environmental Science & Engineering, Pacific Mutual Group Life Insurance Company and Safeco Insurance Company of America ("Credit Tenants") and all other tenants to Buyer not later than three (3) business days prior to the Review Contingency Date. Buyer's failure to disapprove the executed Tenant Estoppel Certificates in writing prior to the Review Contingency Date shall be deemed to constitute Buyer's approval thereof. In the event Seller has been unable to obtain Tenant Estoppel Certificates from all of the tenants in a timely fashion, as set forth herein, and Buyer has elected to nevertheless go forward with the purchase of the Property as set forth in this Agreement, Seller shall deliver to Buyer at Closing its own, separate certificate to Buyer for each of the Credit Tenants from whom a Tenant Estoppel Certificate is not obtained ("Seller's Certificate"), wherein Seller certifies to Buyer the accuracy of the matters set forth in the Tenant Estoppel Certificate(s) relating to such Credit Tenant who fails to deliver Estoppel Certificates in a timely manner. The form of Seller's Certificate is attached hereto as Exhibit "E-1". Seller shall deliver the original executed Seller's Certificates to Buyer not later than two (2) business days prior to the Closing Date. Notwithstanding any other provision of this Section 4.8, the inability or failure of Seller to obtain one or more Tenant Estoppel Certificates, and to deliver such executed documents to Buyer on or before the time provided herein, despite the good faith and commercially reasonable efforts of Seller, and/or its Property Manager, shall not be deemed to be a default of Seller hereunder. Nothing in this Section 4.8 shall be deemed to establish or imply that the obtaining of executed Tenant Estoppel Certificates from each tenant at the

Property shall be a condition precedent to the Closing.

4.9 As a condition of Closing, Pacific Mutual Group Life Insurance Company (a subsidiary of Seller and herein referred to as "PMG"), as tenant, will enter into a lease with Buyer, as lessor (the "PMG Lease") for the premises presently occupied by PMG in the 17360 building at the Property, which premises is identified as Suites 100, 200 and 300 consisting of approximately 95,245 rentable square feet (the "Premises"), upon the following terms: (a) PMG will accept the Premises in "as is" condition; (b) the initial term of the Lease will be five years commencing on the Closing Date, at a monthly rent of \$1.00 per square foot triple net for the first 30 months, and \$1.15 per square foot triple net for months 31 through 60 ; (c) tenant will have a renewal option exercisable no later than six months prior to the expiration of the initial term of the Lease at an option rental rate equal to ninety-five percent (95%) of the fair rental value of the premises as of the 60th month of the initial term; and (d) the Lease shall be made on Buyer's lease form for the Property, a copy of which Buyer will provide to Seller within three (3) days following the Opening of Escrow. Buyer and Seller each agree to use its good faith efforts to negotiate a mutually acceptable and commercially reasonable PMG Lease; provided, that in the event Buyer and Seller reach an impasse in the PMG Lease negotiations which cannot be resolved to their mutual satisfaction, or Buyer and Seller cannot otherwise agree on a mutually acceptable PMG Lease, then either Buyer or Seller may terminate this Agreement upon written notice to the other and in accordance with Section 3.8.

4.10 Buyer and Seller acknowledge that Seller, as lessor, has certain obligations to fund the following leasehold improvement allowances to Systems Tax Service ("STS") pursuant to its lease for space at the Property: (i) leasehold improvement reimbursement in the amount of \$52,115 upon submission of required STS leasehold improvement invoices for work done in the first floor Suite at the 17390 building of the Property, pursuant to the Fourth Amendment to Office Lease for STS dated April 11, 1996; and (ii) leasehold improvements in the amount of \$42,028 for work to be done in Suite 180 of the 17330 building of the Property (the "Suite 180 Work"), pursuant to the Sixth Amendment to Office Lease for STS, dated March 3, 1997, (collectively the "Leasehold Allowances").

The parties hereby acknowledge that certain approvals are required of STS for finalization and/or modification to any contract for the Suite 180 Work (a "Work Contract"). Seller shall use its best efforts to enter into a Work Contract prior to the Closing. During the term of this Agreement Seller shall keep Buyer informed of any negotiations or discussions regarding material terms or modifications to the Work Contract. Seller shall provide Buyer with a copy of any Work Contract executed prior to the Review Contingency Date, within one (1) business day of Seller's receipt of same. From and after the Review Contingency Date, Seller shall not enter into any new Work Contract or amendment to existing Work Contract except on terms approved by Buyer, which approval may not be unreasonably withheld; provided, however, in the event Buyer does not disapprove any such new Work Contract or amendment within one (1) business day following receipt thereof, Buyer shall be deemed to have approved said new Work Contract or amendment and Seller shall be free to enter

into same. Notwithstanding the foregoing, Seller shall be free to amend a Work Contract without Buyer's prior approval for purposes of effecting change orders approved by STS to be done at STS's cost, or required by any regulatory body or agency having authority over the Suite 180 Work. On the Closing Date the amount of the Leasehold Allowances, less any amounts thereof previously funded to STS or under the Work Contract(s), will be credited to Buyer, and Seller's rights and obligations under the Work Contract(s), and any amendments thereto, will be assigned to Buyer. Notwithstanding anything contained herein, Buyer and Seller agree that Seller's inability to enter into or complete a Work Contract prior to the Closing for reasons beyond Seller's control shall not be deemed to be a default hereunder, and Buyer shall assume, as holder of the lessor's interest, the obligation for execution and/or completion of the Suite 180 Work.

4.11 Seller has entered into a contract with SCR Construction dated September 11, 1997 (a copy of which will be provided to Buyer on or before the Opening of Escrow) for redecoration of the on-site property management office at the Property (the "Redecoration Contract") to be completed on or before the Closing Date. Seller will pay all outstanding amounts due or owing upon completion of the work pursuant to said Redecoration Contract, and Seller indemnifies, defends and holds Buyer harmless from any and all claims, demands, causes of action, liabilities, costs and/or expenses incurred by Buyer in connection with any claim for payment owing for work performed under the Redecoration Contract.

ARTICLE V.

Action on the Closing Date

5.1 Buyer shall take the following actions on or before the Closing Date, the satisfaction or written waiver of each of which shall be deemed to be a condition precedent to Seller's Closing obligations hereunder:

(a) Seller shall have received, on the date of Closing, confirmation by Escrow Agent of receipt of Buyer's funds in the amount of the Purchase Price (adjusted for credits or debits for all prorations under Section 5.3) and Escrow Agent's unconditional commitment to disburse said funds by wire transfer to the account of Seller at the financial institution designated by Seller in its instructions to Escrow Agent prior to Closing, in sufficient time for investment at such institution's customary rate paid to Seller;

(b) Seller shall be provided on the date of Closing with an executed duplicate original of the documents listed under subsections (e), (f), (g), (m) and (n) of Section 5.2 below.

(c) Seller shall be provided on the date of Closing with a fully executed duplicate original of the PMG Lease required under the provisions of Section 4.9 herein.

5.2 Seller shall provide or cause to be provided to Buyer the following items, on or before the Closing Date, the provision of which shall be deemed to

be a condition precedent to Buyer's Closing obligations hereunder:

(a) An executed and acknowledged California grant deed for the Property (collectively, the "Deed") in the form of Exhibit "D";

(b) Originals (or copies if such originals are not available) of all executed Leases, if any, in accordance with Section 4.2 herein;

(c) All keys for the Property in the possession or control of Seller (properly labeled);

(d) An ALTA Extended Coverage (1970-Form B, if available from the Title Company) Owner's Policy of Title Insurance, or equivalent thereof, for the Property in the form customarily used in the State of California (subject to variations in conformance with local custom and practice), issued by the Title Company and dated as of the Closing Date, with coverage in the amount of the Purchase Price, setting forth the legal description of the Property and showing title vested in Buyer, subject only to the Permitted Exceptions, together with such endorsements as Buyer may request (and the Title Company may agree to issue) (the "Owner's Title Policy"); provided, however, in the event Buyer desires an "extended coverage" form of Owner's Title Policy and/or one or more lender's title Policy ("Lender's Title Policy"), Buyer shall so inform the Title Company, and the Owner's Title Policy and Lender's Title Policy, if applicable, shall contain "extended coverage" in accordance with the statutes, regulations, customs and/or practices of the State of California. In the event Buyer uses third-party financing in connection with the funding of the Purchase Price, the Title Company shall issue the Lender's Title Policy in favor of such Lender; provided, however, nothing herein shall be construed to mean that the obtaining of any financing or the issuance of one or more Lender's Title Policy is a condition to the performance of Buyer's obligations hereunder. The premium for the Owner's Title Policy and Lender's Title Policy and any endorsements thereto shall then be allocated between the parties pursuant to Section 7.1 herein.

(e) An executed duplicate original of the Assignment and Assumption of Rights, Warranties and Permits in the form of Exhibit "F";

(f) An executed duplicate original of the Assignment and Assumption of Service Contracts in the form of Exhibit "G".

(g) An executed duplicate original of the Assignment and Assumption of Leases in the form of Exhibit "H".

(h) Letters executed by Seller, in form reasonably satisfactory to Buyer, notifying each of the tenants at the Property of the change of ownership of the Property, and directing such tenants to make all payments following the Closing Date which are due under the Leases to such party and at such address as Buyer may designate ("Tenant Notification Letters"). Buyer shall be responsible for delivery of all such Tenant Notification Letters outside of Escrow, not sooner than the recordation of the Deed and receipt by Seller of the Purchase Price, and Escrow Agent shall have no responsibility therefor;

(i) An original executed Bill of Sale for the Personal Property identified in Exhibit "I" attached hereto, reciting that such transfer is on an "AS-IS" and "WHERE-IS" basis; provided, Exhibit "1" to the Bill of Sale may, at Seller's election, list only the Personal Property excluded from the transfer or, alternatively, Exhibit "1" may be eliminated in the event all Personal Property (if any) located at the Property is included in the transfer;

(j) An updated Rent Roll, dated as of the end of the last full calendar month prior to the Closing Date;

(k) A certification duly executed by Seller under penalty of perjury in the form of, and upon the terms set forth in Exhibit "J", setting forth Seller's address and federal tax identification number and certifying that Seller is not a foreign entity in accordance with and/or for the purpose of the provisions of Section 1445 (as may be amended) of the Internal Revenue Code of 1954, as amended, and any regulations promulgated thereunder;

(l) The PMG Lease required under the provisions of Section 4.9 herein executed in duplicate original by PMG;

(m) An executed duplicate original of the Assignment of Contract, if any, required under Section 4.10; and

(n) An executed duplicate original of the Tenant Allowances Escrow Agreement required under the provisions of Section 7.4 herein.

5.3 The following items will be prorated as of the Closing Date on a per diem basis: rents (including any adjustments and other charges, if any, paid by the tenants under the Leases as pass-through items); merchants' association dues and advertising charges, if any; the current year's real estate taxes and assessments (calculated on the most recent available tax bill and re prorated after Closing based upon the actual tax bill for the period in which the Closing occurred, and again re prorated, if necessary, due to any change in the assessed value or tax rate of the Property following a pending assessment appeal by Seller or a separate reassessment due to the change in ownership of the Property pursuant to this transaction), amounts payable or paid under Service Contracts assumed by Buyer, as set forth in Section 4.3 herein, and utilities; provided, however, rent and all other sums which are due and payable to Seller by any tenant but uncollected as of Closing shall not be adjusted, but Buyer shall cause such sums for the period prior to Closing to be remitted to Seller if, as and when collected pursuant to Article VIII of this Agreement. Notwithstanding the foregoing, utilities shall be prorated only to the extent Seller is unable, despite its best efforts, to cause the providers of utilities services to the Property to read the meters and, in cooperation with Buyer, to cause such providers to change the name of the responsible party for payment of such utilities from Seller to Buyer, effective as of the Closing Date. The account of Seller or Buyer shall be debited or credited, as the case may be, on the closing settlement statement to reflect these prorations, and the Purchase Price to be paid to Seller shall be similarly adjusted. Security deposit(s) and pre-paid rents under Leases shall be credited to Buyer at the Closing.

Buyer and Seller agree to use reasonable efforts to prepare and deliver to Escrow Agent a schedule of tentative rental adjustments three (3) business days prior to the Closing of this Agreement. Any such adjustments not determinable or not agreed upon as of the Closing shall be paid by Buyer to Seller, or by Seller to Buyer, as the case may be, in cash or by wire transfer of funds as soon as practicable following the Closing of this Agreement. A copy of the schedule of adjustments as agreed upon by Buyer and Seller shall be delivered to Escrow Agent as soon as practicable prior to the Closing. For purposes of this Section 5.3, Buyer shall be deemed to be the owner of the Property as of 12:01 A.M. on the Closing Date, regardless of the actual hour on which Closing occurs or recordation of the Deed takes place. This transaction shall in no event close later than the Closing Date, as defined in Section 1.2 hereof.

5.4 Any property and liability insurance on the Property maintained by Seller shall terminate on the Closing Date.

5.5 Seller shall deliver possession of the Property to Buyer on the Closing Date.

5.6 In addition to the matters set forth in Section 5.2 herein, the Closing shall be subject to the satisfaction, or Buyer's written waiver, of the following conditions, for the benefit of Buyer:

(a) The Title Company shall be unconditionally prepared to issue the Owner's Title Policy, subject only to the Permitted Exceptions;

(b) Seller shall have duly performed each and every covenant and agreement to be performed by Seller pursuant to this Agreement and Seller's representations, warranties and covenants shall be true and correct as of the Closing Date subject to the provisions of Section 4.4 herein.

(c) Buyer shall have received the Tenant Estoppel Certificates and/or Seller's Certificates in the form and in the manner required by Section 4.8 herein.

5.7 In addition to the matters set forth in Section 5.1 herein, the Closing shall be subject to the satisfaction, or Seller's written waiver, of the following conditions, for the benefit of Seller:

(a) Buyer shall have duly performed each and every covenant and agreement to be performed by Buyer pursuant to this Agreement and Buyer's representations, warranties and covenants as set forth in this Agreement shall be true and correct as of the Closing Date, subject to the provisions of Section 4.4 herein.

ARTICLE VI. Termination

Should this transaction not close on or before 5:00 p.m., local time, as of the fifth day following the Closing Date, for reasons other than a default

by Buyer (in which case Article IX herein shall govern) or a default by Seller (in which case Article X herein shall govern) either party may, by delivery of written notice to the other and to the Escrow Agent, terminate this Agreement, whereupon each party shall pay one-half (1/2) of Escrow Agent's normal cancellation charges. Such exercise of the right of termination by either party shall constitute a waiver of any rights, claims, causes of action or demands either party may have against the other or the Property, or any portion thereof, due to such failure of this transaction to close on or before the Closing Date, except for any liability accruing under Buyer's indemnification and/or confidentiality obligations to Seller pursuant to Sections 3.1, 3.4, 4.2 and/or 7.2 herein, which liability shall survive the termination of this Agreement. Upon such termination, pursuant to this Article VI, Buyer shall return to Seller, within five (5) days following such termination, all of Seller's Documents and Materials provided or made available to Buyer by Seller hereunder, along with copies of Buyer's Due Diligence Information compiled in accordance with Article III herein, and Buyer shall be entitled to the prompt return of the Earnest Money Deposit deposited with Escrow Agent, together with any accrued interest thereon which was earned while in the possession of Escrow Agent, whether or not previously released to Seller in accordance with the terms of this Agreement, unless Buyer is in default hereunder, in which event the Earnest Money Deposit shall be non-refundable and Buyer shall pay the full amount of Escrow Agent's normal cancellation charges. In the event the Closing does not occur and this transaction is terminated by reason of a default by Seller, Seller shall pay the full amount of Escrow Agent's normal cancellation charges. The provisions of this Article shall not limit or affect the provisions of Section 3.8 herein.

ARTICLE VII.

Costs and Commissions

7.1 Seller shall pay the premiums for the Owner's Title Policies allocable to standard coverage, the cost of the Survey, and updated Survey (if any), its own legal fees, state sales tax and grantor's documentary transfer tax (if any). Buyer shall pay any additional title premiums attributable to extended (survey) coverage and any endorsements to the Owner's Title Policy requested by Buyer and agreed to by the Title Company, the entire cost of the Lender's Title Policy, if any, and any endorsements thereto, its own legal fees, all fees and expenses relating to its inspection and testing of the Property or its review of the books and records relating to the Property, the cost of recording the Deed. Seller and Buyer will share equally all other closing fees and closing costs (to the extent consistent with local custom and practice), including, without limitation, Escrow Agent's fees and expenses, subject to the provisions of Article VI herein.

7.2 In connection with the transaction contemplated by this Agreement, Buyer has agreed, pursuant to a separate document, to pay to Steve Levine ("Buyer's Broker") at Closing compensation in an amount set forth in such separate agreement. Buyer and Seller each represent to the other that they have not entered into any other agreement or incurred any other obligation which might result in the obligation to pay a real estate sales or brokerage

commission or finder's fee to any other person or entity with respect to this transaction. Buyer and Seller each agree to indemnify, defend and hold the other harmless from and against any and all claims, demands, causes of action, liabilities, costs and/or expenses (including reasonable attorney's fees and costs) asserted against or incurred by the other party as a result of any claim or assertion made by any person to a right to a real estate sales or brokerage commission or finder's fee in connection with this transaction, to the extent such claim or assertion is based on the actual or alleged acts or omissions of the indemnifying party, its broker or representative. The obligations of Buyer and Seller under this Section 7.2 shall survive the Closing Date or the earlier termination of this Agreement pursuant to its terms.

ARTICLE VIII.
Post-Closing Cooperation

If, as of Closing Date, there is any accrued and delinquent rent due from any tenant then in occupancy, and Seller advises Buyer of that fact on or before the Closing Date by means of the Rent Roll or otherwise, Buyer shall use its good faith and commercially reasonable efforts to collect such delinquent rent following Closing; provided, however, Buyer shall not be required to incur any out-of-pocket expense or liability in doing so. The good faith and commercially reasonable efforts required of Buyer shall not be deemed to include the institution of any litigation. All rent collected by Buyer from such delinquent tenant(s) shall be applied by Buyer first, to rent and other charges currently due Buyer for the period from and after the Closing Date and second, to rent and other charges due to Seller for the period prior to the Closing Date. Notwithstanding the foregoing, Seller shall retain the right to pursue, at Seller's sole cost, any and all actions or proceedings against: (i) any former tenants or occupants of the Property, who are not subject to existing Leases at the Property or who are in breach of their Leases by reason (in part) of their abandonment of the leased premises prior to the end of the term of their Lease; or (ii) any remaining tenants of the Property who are delinquent in payment of rent and/or other charges for a period of sixty (60) days or more as of the Closing Date, for delinquent rents and/or other cause(s) of action, and any amounts collected by Seller pursuant to such actions or proceedings shall be the sole property of Seller. Buyer hereby assigns any cause(s) of action or claim(s) it may have against such persons for the period prior to Closing to Seller, and Buyer shall have no responsibility in connection with the prosecution of said actions or proceedings.

ARTICLE IX.
Default by Buyer

IF THE CLOSING OF THIS TRANSACTION FAILS TO OCCUR ON OR BEFORE THE CLOSING DATE AS A RESULT OF BUYER'S BREACH OF THIS AGREEMENT, THE PARTIES ACKNOWLEDGE AND AGREE BY INITIALING THIS AGREEMENT IN THE SPACE PROVIDED BELOW THAT:

(I) THE EARNEST MONEY DEPOSIT BEARS A REASONABLE RELATIONSHIP TO THE DAMAGES WHICH THE PARTIES ESTIMATE MAY BE SUFFERED BY SELLER AS THE RESULT OF

BUYER'S DEFAULT IN THE PERFORMANCE OF ITS OBLIGATIONS UNDER THIS AGREEMENT, WHICH DAMAGES WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO FIX, THAT THE EARNEST MONEY DEPOSIT CONSTITUTES A REASONABLE ESTIMATE OF SELLER'S DAMAGES IN SUCH EVENT, AND THAT THE REMEDY PROVIDED FOR HEREIN IS NOT A PENALTY OR FORFEITURE AND IS A REASONABLE LIMITATION ON BUYER'S POTENTIAL LIABILITY AS A RESULT OF SUCH DEFAULT; AND

(II) AS A RESULT OF BUYER'S BREACH OF THIS AGREEMENT AND FAILURE OF THE CLOSING TO OCCUR ON OR BEFORE THE CLOSING DATE, SELLER SHALL HAVE THE RIGHT TO TERMINATE THIS AGREEMENT AND THE ESCROW BY WRITTEN NOTICE TO ESCROW AGENT, WHEREUPON SELLER AND ESCROW AGENT SHALL THEREUPON BE RELEASED FROM THEIR RESPECTIVE OBLIGATIONS THEREUNDER TO SELL THE PROPERTY TO BUYER OR ITS PERMITTED ASSIGNEE, AND SELLER SHALL RETAIN THE EARNEST MONEY DEPOSIT (OR ESCROW AGENT SHALL RELEASE THE EARNEST MONEY DEPOSIT AND ALL ACCRUED INTEREST THEREON TO SELLER, TO THE EXTENT NOT ALREADY SO RELEASED) AS LIQUIDATED DAMAGES, WHICH DAMAGES SHALL BE SELLER'S SOLE AND EXCLUSIVE REMEDY HEREUNDER IN THE EVENT OF SUCH BREACH, EXCEPT FOR SELLER'S RIGHTS AND REMEDIES FOR A SEPARATE BREACH, IF ANY OF THE CONFIDENTIALITY AND INDEMNIFICATION PROVISIONS OF THIS AGREEMENT.

/s/ JCM /s/ DC
Initials of Seller

/s/ VJC
Initials of Buyer

ARTICLE X.
Default by Seller

In the event of a default by Seller under the terms of this Agreement, Buyer shall have the right either: (i) to purchase the Property notwithstanding such default, whereupon such default shall be deemed waived; or (ii) to terminate this Agreement by notice furnished to Seller and to Escrow Agent, whereupon Buyer will be entitled to a refund of the Earnest Money Deposit and all interest accrued thereon, if any, held by Escrow Agent, and Buyer shall be entitled to pursue an action against Seller at law for damages; provided, however, Buyer shall have no right of action against Seller or subsequent owners of the Property at equity, for specific performance of this Agreement or otherwise, for purposes of asserting a claim of title to and/or possession of all or any portion of the Property.

ARTICLE XI.
Exchange Provisions

Seller acknowledges that Buyer may elect to engage in a tax-deferred exchange ("Exchange") pursuant to Section 1031 of the Internal Revenue Code. To effect this Exchange, Buyer may assign its rights in, and delegate its duties under, this Agreement to an exchange accommodator which Buyer shall determine. As an accommodation to Buyer, Seller agrees to cooperate with Buyer in connection with the Exchange, including the execution of documents therefor, provided the following terms and conditions are satisfied:

(a) Seller shall have no obligation to take title to any property in connection with the Exchange, nor shall Seller have any liability to Buyer in connection with any such property ("Exchange Property");

(b) Buyer shall be solely responsible, and Seller shall have no responsibility whatsoever, for negotiating any and all agreements, escrow instructions and other documents (collectively "Exchange Documents") with respect to the Exchange Property, as well as for any and all investigations, approvals and/or other actions required to be taken or permitted to be taken by Buyer under the Exchange Documents;

(c) Seller shall in no way to be obligated to pay any escrow costs, brokerage commissions, title charges, survey costs, recording costs or other charges incurred with respect to any Exchange Property and/or the Exchange, and Buyer shall reimburse Seller for any professional fees including, without limitation, actual attorneys' fees which Seller may incur with respect thereto;

(d) In no way shall the Closing of this transaction be contingent upon or otherwise subject to the consummation of the Exchange, and the escrow shall timely close in accordance with the terms of this Agreement, notwithstanding any failure, for any reason, of the parties to the Exchange to effect same;

(e) Buyer shall not be relieved of any obligations which would otherwise survive the Closing by reason of effecting the Exchange contemplated herein, and all such obligations of Buyer shall survive the Closing in the same fashion as if the Exchange had not taken place;

(f) Seller shall not be required to make any representations or warranties, or to assume any obligations, or to spend any sum or to incur any personal liability whatsoever in connection with the Exchange;

(g) No representations, warranties, covenants and/or indemnification obligations set forth in this Agreement shall be affected or limited by Buyer's use of an exchange accommodator and shall survive the Exchange and shall continue to inure from Buyer for the benefit of Seller. No provision of any separate instruction or related instruction from Buyer, the exchange accommodator and/or any other party shall be deemed to modify the terms of this Agreement or any rights of Seller hereunder; and

(h) Buyer agrees to indemnify, protect, defend (with counsel chosen by Seller) and hold harmless Seller from and against any and all claims, demands, causes of action, liabilities, costs and expenses (including, without limitation, actual attorneys fees) asserted against and/or incurred by Seller in connection with the Exchange or attempted Exchange.

Seller makes absolutely no representations or warranties of any kind or nature, express or implied, that tax-deferred exchange treatment is available to Buyer with respect to the Exchange, or that such a transaction will qualify in any respect for such treatment, and Seller shall incur no liability if the Exchange fails to qualify for tax-deferred treatment for any reason. If Seller

defaults under the terms of this Agreement, then Seller shall be liable to Buyer for only those damages which would have occurred if Buyer had not included the Property in any Exchange. Specifically excluded from such damages for which Seller would be liable, but not by way of limitation, are any consequential damages Buyer may incur because of a loss of tax advantages, tax deferral or other detrimental tax impacts upon Buyer caused by Seller's default. Buyer hereby acknowledges and represents to Seller that Buyer is relying solely and entirely upon the advice of Buyer's own attorneys and consultants with respect to any and all aspects of any such Exchange. In no event whatsoever shall the obligations of Buyer under this Agreement be contingent upon the inclusion of this transaction and/or the Property as part of any Exchange in which Buyer may become involved.

ARTICLE XII.
Miscellaneous

12.1 All notices, requests, demands or other communications required or permitted under this Agreement shall be in writing and delivered personally, by certified mail, return receipt requested, postage prepaid, by telecopy or other facsimile transmission, or by overnight courier (such as Federal Express), addressed as follows:

Seller: Pacific Life Insurance Company
700 Newport Center Drive,
Newport Beach, California 92660
Attention: John C. Mulvihill,
Vice President, Sales and Acquisitions
Lydia Kennedy, Director, Asset Management
Fax No: (714) 760-9680

Copy to: Pacific Life Insurance Company
700 Newport Center Drive
Newport Beach, California 92660
Attn: June E. Knuth, Esq.
Fax No: (714) 640-3706

Buyer: Arden Realty Limited Partnership
9100 Wilshire Boulevard
East Tower, Suite 700
Beverly Hills, California 90212
Attn: Richard S. Ziman
Telephone No: (310) 271-8600
Fax No: (310) 274-6218

Copy to: Jeffer, Mangels, Butler & Marmaro
2121 Avenue of the Stars, 10th Floor
Los Angeles, California 90067
Attn: Scott M. Kalt, Esq.
Telephone No: (310) 785-5314
Fax No: (310) 203-0567

All Notices in accordance with the terms hereof shall be deemed given upon actual receipt thereof whether delivered by first-class mail, postage prepaid, personally, or by courier or messenger service, or facsimile transmission to the numbers given above, provided electronic confirmation of such facsimile transmission is received by the noticing party. Either party hereto may change the address or facsimile number for receiving notices, requests, demands or other communication by notice sent in accordance with the terms of this Section 12.1.

12.2 Buyer may not assign this Agreement or its rights and obligations hereunder without the prior written consent of Seller, which Seller may withhold in its sole and absolute discretion; provided, however, Buyer shall be entitled to assign this Agreement, upon prompt notice to Seller but without Seller's prior consent, to an affiliate of Buyer. For purposes of this Section 12.2, an "affiliate" of Buyer is an entity which controls Buyer, or is controlled by or under common control with Buyer. Any assignment hereunder will be subject to the terms and provisions of this Agreement; provided, however, that upon such assignment such Assignee shall succeed to all of the rights and obligations of Buyer hereunder, and agrees to execute all documents and perform all obligations pursuant to this Agreement. Notwithstanding any assignment of this Agreement, the Assignor shall not be relieved of its obligations to complete this transaction and pay the Purchase Price to Seller as provided for herein.

12.3 Each party agrees to execute any additional documents or supplemental escrow instructions as may be reasonably necessary to comply with the terms of this Agreement, provided that such instructions are not in conflict with the terms hereof and that if a conflict exists, the provisions of this Agreement shall prevail.

12.4 This is the entire agreement between Seller and Buyer pertaining to the sale of the Property and supersedes any prior written or oral understandings. Any amendment to this Agreement must be in writing. This Agreement will be governed by the laws of the state in which the Property is located.

12.5 The prevailing party in any litigation, including any appeal, arising out of this Agreement will be entitled to its reasonable attorney's fees, costs and expenses incurred in connection with the prosecution or defense of such action.

12.6 All Exhibits referred to are attached to this Agreement and are incorporated herein by reference.

12.7 In the event this Agreement is terminated by the default of Buyer or Seller, any escrow termination fee or charges of Escrow Agent will be borne by the defaulting party.

12.8 This Agreement may be executed in separate counterparts, each of which will be deemed an original, and all of which together will constitute one

instrument.

12.9 Time is of the essence of this Agreement.

12.10 The heading, captions and titles used in this Agreement are for convenience only and shall not be deemed in any way to limit or amplify the terms and provisions of this Agreement.

12.11 If any date of significance hereunder falls upon a Saturday, Sunday, or legal holiday such date will be deemed moved forward to the next day which is not a Saturday, Sunday, or legal holiday. The terms "working day" or "business day" shall mean days elapsed exclusive of Saturdays, Sunday, or legal holidays.

12.12 This Agreement is not intended to confer any benefit upon, or create any contractual right in, any person or entity other than the parties hereto.

12.13 In the event this Agreement is not fully executed by Buyer and Seller on or before November 5, 1997, this Agreement shall be null and void and neither party shall have any liability to the other hereunder.

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

SELLER:

PACIFIC LIFE INSURANCE COMPANY
a California corporation

By: /s/ John C. Mulvihill
Name: John Mulvihill
Title: Vice President

By: Debra Cunningham
Name: Debra Cunningham
Title: Assistant Secretary

BUYER:

ARDEN REALTY LIMITED PARTNERSHIP,
a Maryland limited partnership

By: ARDEN REALTY, INC.
a Maryland corporation
Its: General Partner

By: /s/ Victor J. Coleman
Victor J. Coleman
President & COO

Dated November 4, 1997

Dated: November 4, 1997

Escrow Agent acknowledges receipt of a fully executed copy of this Agreement, and by its signature hereby accepts and agrees that the provisions of this Agreement, and any amendment thereto as may be executed by Buyer and Seller, shall constitute instructions and control the deposit and disposition

of funds by the Escrow Agent hereunder.

ESCROW AGENT:

/s/ J. M. Moore

FIRST AMERICAN TITLE INSURANCE COMPANY

Title: A. V. President

Date: 11-5-97

PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS

To: First American Title Insurance Company Escrow No. 4971189
of Los Angeles ("Escrow Agent") Title Order Nos. 9722438-8, 9722417-8
520 North Central Avenue Title Officer: Anthony Rivera
Glendale, California 91203
Attn.: Tricia Pewthers
Telephone: (818) 242-5800

THIS PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS ("Agreement") is made and entered into and is effective as of the 12th day of November, 1997 (the "Effective Date"), by and between THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK, a New York mutual life insurance company ("Seller"), and ARDEN REALTY LIMITED PARTNERSHIP, a Maryland limited partnership ("Buyer").

Recitals

1. Seller is the owner of the Property (as defined below).
2. Seller has agreed to sell the Property to Buyer, and Buyer has agreed to purchase the Property from Seller, such purchase and sale being made upon and subject to the terms and conditions set forth in this Agreement.

Agreement

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller hereby agree as set forth below.

2. Purchase and Sale of the Property. Seller agrees to sell, assign, convey, and transfer to Buyer all of Seller's right, title and interest in and to the following real and personal property described in subsections (a) through (g) below (collectively referred to herein as the "Property"), and Buyer hereby agrees to purchase and accept the Property, and assume the obligations in connection therewith, subject to and in accordance with the terms and conditions contained in this Agreement:

(1) Land. Subject to general and special real estate taxes and assessments, and all matters of record or apparent from an inspection or survey, Seller's interest in that certain real property located at 425 East Colorado Street, in the City of

Glendale, County of Los Angeles, State of California (the AGlendale Land@), and 12301 Wilshire Blvd., in the City of Los Angeles, County of Los Angeles, State of California (the "Wilshire Land"), which real property is more particularly described, respectively, on Exhibit "A-1" and Exhibit "A-2" (collectively, the "Land").

(2) Improvements. Those certain fixtures and improvements located on the Land and described on Exhibit "B-1" and Exhibit "B-2" attached hereto (collectively, the "Improvements"), including several commercial, retail and/or industrial buildings, parking structures, driveways, hardscaping, and related improvements, together with fixtures attached thereto, it being understood and agreed, however, that Buyer shall have no right, title or interest in or to any of such fixtures and improvements which are the property of the tenants of the Property (the "Tenants") under the Leases (as defined below). The Glendale Land and Improvements thereon may be referred to herein as the Glendale Property, and the Wilshire Land and the Improvements thereon may be referred to as the Wilshire Property. The Land and the Improvements may be collectively referred to herein as the "Real Property."

(3) Personalty. That certain tangible personal property of Seller which is located on or in the Land or the Improvements and which is described on Exhibits "B-1" and Exhibit "B-2" attached hereto (collectively, the "Personalty"), it being understood and agreed, however, that Buyer shall have no right, title or interest in or to (and the "Personalty" shall not include) (i) any personal property on the Improvements which is the personal property of the Tenants pursuant to the Leases, or (ii) any lap-top computers which are the personal property of Seller and are located in the on-site offices of the Real Property.

(4) Appurtenances. All of Seller's rights, privileges and easements appurtenant to the Land, all development rights and air rights relating to the Land and any and all easements, rights-of-way and other appurtenances used in connection with the beneficial use and enjoyment of the Land, but excluding all water, water rights and water stock, and excluding minerals and mineral rights of every kind (including oil, gas and other hydrocarbon substances) on or under the Land.

(5) Leases. Seller's interest in all leases, subleases, licenses, concessions, and other forms of agreement in effect as of the Effective Date or entered into after the Effective Date, and remaining in effect as of the Closing Date (as defined below), granting to any party or parties the right of use or occupancy of any portion of the Land and/or Improvements, and all renewals, modifications, amendments, guarantees, and other agreements affecting the same (together, the "Leases").

(6) Awards. All right, title and interest of Seller in and to any unpaid awards for damages to the Land and/or Improvements resulting from any taking in eminent domain or by reason of change of grade of any street accruing after closing of the purchase and sale pursuant to this Agreement.

(7) Intangible Property. Except the name of Seller or affiliated entities, all of the interest of Seller in any intangible property now or hereafter owned by Seller and used or designed for use in connection with the Land, Improvements and/or Personalty, and any contract or lease rights, licenses, permits, certificates of occupancy, franchises, agreements, utility contracts and agreements (including sewer and water line agreements), telephone listings and numbers used by Seller at the Real Property, unexpired claims, signs, trade names, logos, trademarks and service marks arising from or related to the Real Property (other than Seller's name or marks), warranties, guaranties and sureties belonging to Seller, or other rights relating to the ownership, development, construction, design, use and operation of the Land and/or Improvements (together, "Intangible Property"), so long as and to the extent that said Intangible Property may be transferred or assigned, and is not specifically excluded from the Bill of Sale (as defined below). Notwithstanding anything to the contrary herein, Intangible Property does not include (i) any refunds of taxes or assessments which were paid by Seller or Seller's predecessor in interest, prior to close of the purchase and sale pursuant hereto, or of insurance premiums paid by Seller or Seller's predecessor-in-interest and attributable to the period prior to the Closing Date (without regard to when such refunds are received), (ii) condemnation or other awards which represent refunds of amounts paid by Seller or any predecessor-in-interest prior to the Closing Date or awards for property damage (other than amounts to be credited to Buyer pursuant to Section 13 of this Agreement) or otherwise relating to the Property, (iii) any claims of Seller existing as of the Closing Date against Tenants for delinquent rents, to the extent not subsequently paid or credited to Seller, or (iv) claims of Seller made pursuant to or arising in connection with the litigation matters set forth on Exhibit "C" attached hereto (the "Litigation Claims"); provided, however, that Litigation Claims do not include any rents or other income relating to the period after the Closing Date with respect to Leases as to which the Tenant continues to occupy the leased premises after the Closing Date.

3. Opening of Escrow and Deposit.

(1) General Instructions. First American Title Insurance Company of Los Angeles is hereby designated as escrow holder ("Escrow Agent"), to act in accordance with this Agreement.

Escrow Agent's general conditions or provisions, which are attached hereto as Exhibit "D", are incorporated by reference herein (with the changes noted thereon); provided, however, that in the event of any inconsistency between Exhibit "D" and any other provisions of this Agreement, the provisions of this Agreement shall control over the provisions of Exhibit "D." Buyer and Seller shall each execute, deliver and be bound by such further escrow instructions or other instruments as may be reasonably requested by the other party or by Escrow Agent from time to time, so long as the same are consistent with this Agreement, and upon execution thereof by both Seller and Buyer, such escrow instructions shall be deemed to be a material part of this Agreement. Escrow Agent needs to be concerned only with those provisions of this Agreement that instruct it to perform specific acts or with respect to which escrow holders generally and reasonably would be expected to act. Escrow Agent shall comply, but shall have no liability whatsoever for complying, with the unilateral instructions of only one party without the consent of the other party hereto if expressly required to do so in this Agreement.

(2) Opening of Escrow. Concurrently with its execution of this Agreement, Buyer shall open an escrow with Escrow Agent (the "Escrow") by delivering to Escrow (with a copy to Seller), an executed copy of this Agreement, and a deposit in the form of immediately available funds in the amount of Five Hundred Thousand Dollars (\$500,000.00) (such deposit, together with all interest accrued thereon, is collectively referred to herein as the "Initial Deposit"). Escrow Agent shall retain possession of the Initial Deposit until delivery or return thereof is permitted or required under this Agreement. The Initial Deposit shall be deposited by Escrow Agent in an interest-bearing account with the interest thereon to be disbursed with the Deposit in accordance with the provisions hereof.

(3) Deposits. On or before 9:00 a.m. Pacific Standard Time ("PST") of the first business day after the date of expiration of the Investigation Period (as defined below) without written cancellation of the Escrow by Buyer, Buyer shall initiate a bank wire to Escrow Agent in the form of immediately available funds, in the additional amount of Five Hundred Thousand Dollars (\$500,000.00) (such deposit, together with all interest accrued thereon while in Escrow, is collectively referred to herein as the "Additional Deposit," and together with the Initial Deposit, the "Deposit"). Buyer understands, acknowledges and agrees that, upon deposit of the Additional Deposit into Escrow, the entire Deposit shall immediately become non-refundable (except upon (i) Default (as defined below) by Seller or (ii) failure to occur of any of the conditions set forth in subsection 7(a) below other than as a result of the conduct or omissions of Buyer), shall immediately be deemed to have been fully earned by Seller, and

shall be immediately delivered by Escrow Agent to Seller. If Buyer provides Notice (as defined below) to Seller, during the Investigation Period, of Buyer's cancellation of Escrow as a result of information obtained by Buyer during the Investigation Period, then Escrow Agent shall return the Initial Deposit to Buyer, net only of Buyer's share of the costs and expenses of Escrow and title. If the purchase and sale shall close pursuant to this Agreement, the Deposit shall be credited against the Purchase Price (as defined below) at the close of Escrow.

(4) Closing. The Escrow shall close, as evidenced by recordation of a Grant Deed in accordance herewith (the "Closing"), on a date mutually agreed to by the parties, but in all events on or before Friday, December 5, 1997 at 5:00 p.m. PST (the "Outside Closing Date"). If Buyer does not cancel the Escrow during the Investigation Period as herein permitted, and Escrow thereafter fails to close on or before the expiration of the Outside Closing Date, for any reason, then (i) this Agreement shall terminate and, except for provisions which expressly survive a termination, neither party shall have any further obligation to the other hereunder; and (ii) Escrow shall be canceled and the Deposit shall be distributed to Seller; provided, however, that if Escrow fails to close on or before the Outside Closing Date due solely to a default by Seller or to a failure to satisfy any of the conditions set forth in subsection 7(a) below other than as a result of the conduct or omission of Buyer, then the Deposit shall be distributed to Buyer.

4. Purchase Price. The "Purchase Price" for the Property shall be Thirty Million Eight Hundred Thousand Dollars (\$30,800,000.00) payable in immediately available funds upon Closing, and otherwise in accordance with the terms and conditions contained in this Agreement. Buyer understands and agrees that Buyer shall not have any right to purchase either the Glendale Property or the Wilshire Property unless Buyer shall concurrently purchase both such properties pursuant to this Agreement.

5. Prorations. The following items shall be prorated as of the date of Closing (the "Closing Date") and such prorations shall be reflected on the settlement statements prepared by Escrow Agent on the Closing Date and shall serve to adjust the Purchase Price. Such prorations shall be made on the basis of a 365-day year, as of 12:01 a.m. on the Closing Date.

(1) Rents.

- (1) All rentals, receipts and other revenues from the Property, including base rents, percentage rents and additional rents (other than those referenced in Section 4(b) below) and the last sentence of this Section 4(a) (i) (collectively, "Rents"), which have been actually received by Seller and which are payments

under Leases for the period from and after the Closing Date, shall be credited to Buyer, and Buyer shall be entitled to collect all Rents which are delinquent or due on or after the Closing Date. Notwithstanding the foregoing, and the other provisions of this Section 4, Seller shall retain to the extent received by Seller, and Buyer shall pay to Seller, if, when and to the extent received by Buyer (A) any Rents paid by Medical Data Exchange, for all or any portion of the months of November and December, 1997, which Rent such Tenant has indicated it will now agree to pay, pursuant to a Lease amendment to be executed (in lieu of free rent previously attributable to Tenant's occupancy during such months in 1997), and (B) any amounts paid by Medical Data Exchange as reimbursement for tenant improvement costs, to the extent that the actual cost of tenant improvements exceeds the amount estimated by Seller for such work (approximately \$124,064.00).

- (2) All Rents collected by Buyer after the Closing Date with respect to each Lease for which Rent payments are delinquent at Closing by not more than thirty (30) days, including without limitation Rents and other amounts collected by Buyer pursuant to the last sentence of Section 4(a)(i) above, and subject to Seller's retained right to sue therefor with respect to delinquent Rents accruing prior to the Closing Date (or with respect to Medical Data Exchange, prior to December 31, 1997), to the extent not paid or credited to Seller, shall be credited and paid by Buyer as follows: first to Seller for amounts due before the Closing Date, but unpaid prior to the Closing Date, and second to Buyer;
- (3) All Rents collected by Buyer after the Closing Date with respect to each Lease for which Rent payments are delinquent at Closing by more than thirty (30) days shall (subject to Seller's retained right to sue therefor with respect to delinquent Rents accruing prior to the Closing Date, to the extent not paid or credited to Seller) be credited and paid by Buyer as follows: first to Buyer in an amount equal to amounts due as of the date of collection but after the Closing Date, and second to Seller in an amount equal to amounts due prior to the Closing Date and unpaid as of the Closing Date;
- (4) Notwithstanding the foregoing, with respect to any Lease for which Rent is paid in arrears, Rent received by Buyer after the Closing shall be credited to the Rent in arrears for the previous month before it is credited to current month or advance Rents;
- (5) Any delinquent Rents which, as so credited, relate in whole or part to any period prior to the Closing Date shall be remitted by Buyer to Seller when collected by Buyer (net only of Buyer's proportionate share of any reasonable out-of-pocket collection expenses actually incurred by Buyer); and

(6) In addition to the foregoing, any tenant improvements, leasing commissions or other monetary obligations of the landlord under Leases entered into after the Effective Date pursuant to Section 6(c) below, which obligations have been paid by Seller, shall be credited to Seller.

(2) Lease Operating Cost Pass-Throughs.

(1) All operating cost pass-throughs for taxes, utilities, insurance, common area maintenance charges or other current operating costs and cost of living escalation amounts ("CAM Charges") (A) paid by Tenants and which have been actually received by Seller and which are allocable to the period from and after the Closing Date, shall be credited to Buyer, and (B) payable by Tenants but unpaid as of the Closing Date and attributable to the period before the Closing Date, shall (subject to Seller's retained right to sue Tenants for such amounts) be subject to collection by Buyer after the Closing Date and upon such collection shall be credited and paid by Buyer as set forth herein below.

(2) All CAM Charges collected by Buyer after the Closing Date with respect to each Lease for which such payments are delinquent at Closing by not more than thirty (30) days shall (subject to Seller's retained right to sue therefor with respect to delinquent CAM Charges accruing prior to the Closing Date, to the extent not paid or credited to Seller) be credited and paid by Buyer as follows: first to Seller for amounts due before the Closing Date, but unpaid prior to the Closing Date, and second to Buyer;

(3) All CAM Charges collected by Buyer after the Closing Date with respect to each Lease for which such payments are delinquent at Closing by more than thirty (30) days shall (subject to Seller's retained right to sue therefor with respect to delinquent CAM Charges accruing prior to the Closing Date, to the extent not paid or credited to Seller) be credited and paid by Buyer as follows: first to Buyer in an amount equal to amounts due as of the date of collection but after the Closing Date, and second to Seller in an amount equal to amounts due prior to the Closing Date and unpaid as of the Closing Date; and

(4) With respect to any Lease for which CAM Charges are paid in arrears, CAM Charges received by Buyer after the Closing under such Lease shall be credited to the CAM Charges in arrears before the same are credited to current month or advance CAM Charges under such Lease. Any delinquent CAM Charges which, as so credited, relate in whole or part to any period prior to the Closing Date shall be remitted by Buyer to Seller when collected by Buyer (net only of Buyer's proportionate share of any

reasonable out-of-pocket collection expenses actually incurred by Buyer).

(3) Property Taxes. All real property taxes for the current (1997-98) tax year which are due and payable on or before the Closing Date and all real property taxes for years prior thereto shall be paid by Seller on or before the Closing Date, and prorated as of the Closing Date for the 1997-98 tax year (on the basis of the portion of the 1997-98 tax year which falls after the Closing Date, and based upon the most recent assessment and levy). Any adjustments to such taxes for the 1997-98 tax year (with the exception of any readjustment as a result of the sale contemplated hereby) shall be adjusted between Seller and Buyer promptly upon receipt by Buyer of the actual bills for such taxes. Seller shall be entitled to retain for its own account any and all refunds (whenever received) of taxes and assessments paid by Seller prior to the Closing Date, including any of the same that shall result from pending property tax appeals, if any, relating to the Property or the personalty associated therewith.

(4) Assessments. All assessments, special assessments and other like charges imposed against the Property, or any part thereof, by reason of roadways, utility lines, streets, alleys or other improvements in existence, under construction or planned and payable on or prior to the Closing Date shall be prorated to such date. All such assessments, special assessments and other charges affecting the Property and payable after the Closing Date shall be the sole responsibility of Buyer. All pending refunds of assessments paid by Seller prior to the Closing Date, if any, shall be delivered to and retained by Seller.

(5) Security Deposits. All security and other deposits, if any, including any accrued interest thereon if such interest is required to be remitted to Tenants pursuant to their respective Leases, received by Seller on or before the Closing Date on behalf of any Tenants under any Leases (and not subject to current or past application against Lease obligations pursuant to the Leases), shall be credited to Buyer, and Escrow shall deliver a notice to the Tenants, in the form of Exhibit "E-1" and Exhibit "E-2" attached hereto, advising Tenants that: (i) Buyer has purchased the Property, (ii) the security deposit, if any, has been delivered to Buyer in connection with such sale, and (iii) Seller is relieved of any and all liability for any such security deposit.

(6) Utility Charges and Other Expenses. Prepaid water, sewer, and other utility charges and similar Property expenses allocable to the period from and after the Closing Date shall be credited to Seller, and accrued water, sewer, and other utility charges and similar Property expenses shall be credited to Buyer. After the Closing, outside of Escrow, the parties shall make any

readjustments necessary based upon a final billing obtained by Buyer or actual subsequent readings of utility meters respecting that billing period in which the Closing occurred. All utility security deposits, if any, shall either be retained by Seller without adjustment or, at Seller's option, shall be delivered to Buyer and credited to Seller.

(7) Service Contracts. Prepaid charges in connection with any Service Contracts (as defined below) which Buyer assumes pursuant hereto, and any licenses or permits issued in connection with the Property (to the extent transferrable) shall be credited to Seller. Accrued charges payable for the period up to the Closing Date and unpaid as of the Closing in connection with such Service Contracts, licenses or permits (to the extent transferrable) shall be credited to Buyer.

(8) Tenant Allowances. Amounts due from Seller under the Leases (other than Leases or Lease modifications approved by Buyer under Section 6), but unpaid as of the Closing Date, shall be credited to Buyer on the Closing Date, and at Closing, Buyer shall assume the liability for payment thereof, to pay for:

- (1) tenant improvements commenced prior to the Closing Date;
- (2) Leasing commissions (excluding any commissions which may be due after the Effective Date with respect to options, extensions, expansions or renewals); and
- (3) with respect to a Lease for Suite 410 at the Glendale Property, which Seller anticipated leasing prior to the Effective Date, Buyer shall be credited for an amount equal to (x) \$68,588.10 for leasing commissions, (y) \$163,305.00 for tenant improvements to be performed prior to the commencement of such Lease, irrespective of when or whether such improvements commence, and (z) \$114,313.50, for an amount equal to six months of rent which would have been due under such Lease, but offset by an amount equal to \$38,104.50 if Suite 710 at the Glendale Property is leased prior to the Closing Date; each of which such credits compensate Buyer for amounts which would have been the obligation of Seller had such Lease been entered into prior to the Effective Date.

Seller shall receive a credit for all amounts paid by Seller for leasing commissions and tenant improvements pursuant to Section 6 below (including without limitation the Lease to MSI Entertainment, Inc. described therein). Seller shall also deliver to Buyer any tenant improvement funds held by Seller as of the Closing Date with respect to uncompleted tenant improvements or which are subject to refund to Tenants and Buyer shall assume Seller's liability to provide such tenant improvements and make such refunds. In addition to the

foregoing, an amount equal to the value of "free rent," if any, specified in the Leases for the one (1) year period commencing on the Closing Date (exclusive of any Leases or Lease modifications approved by Buyer under Section 6), to the extent the existence of such free rent was not disclosed to Buyer in the offering circular or pursuant to other materials delivered to Buyer on or before the Effective Date, shall be credited to Buyer on the Closing Date, by multiplying the number of months of free rent with respect to each particular Lease during the one (1) year period following the Closing Date, by the base monthly rental rate payable under that Lease in the first month in which rent is payable. On or before 9:00 a.m. PST on November 14, 1997, Buyer shall deliver to Seller a list of Leases as to which free rent is due within the specified period and the amounts of free rent due as to each such Lease (the "Free Rent List"). Seller shall deliver to Buyer a Notice specifying any exceptions (based upon correctness or prior disclosure to Buyer) on or before 9:00 a.m. PST on November 21, 1997. If Seller's Notice is not satisfactory to Buyer, Buyer shall cancel the Escrow in accordance with Section 5(c) or proceed to Close and waive any objections to Seller's Notice. If Seller fails to deliver timely Notice, the Free Rent List shall be deemed to be correct.

If any of the prorations described in this Section 4 cannot be calculated accurately on the Closing Date, then the same shall be calculated as soon as reasonably possible thereafter and either party owing the other party a sum of money based on such subsequent prorations shall promptly pay said sum to the other party. If either party owing funds to the other after the Closing Date pursuant to this Section does not remit them within thirty (30) days after demand therefor (which demand shall also include invoices or other appropriate documentation in support thereof), such funds shall thereafter bear interest at a "Default Rate" equal to five percent (5%) above the highest rate as announced from time to time by Chase Manhattan Bank, N.A. at its principal office in New York City as its "prime rate," as the same shall fluctuate from day to day, or, if lesser, the maximum rate permitted by law.

6. Due Diligence Investigation Period.

(1) Due Diligence Materials. Within seven (7) days after the opening of Escrow (the "Diligence Date"), without any representation or warranty as to accuracy or completeness, and only to the extent within the physical possession of Seller, Seller shall either (at Seller's option) deliver to Buyer or make available for inspection (and copying) by Buyer at Buyer's expense, at the Property and/or the offices of Seller (except that the items listed in (i) below shall be delivered by Seller to Buyer), the following items relating to the Property:

- (1) Preliminary title reports or commitments issued by First American Title Insurance Company ("Title Company"), dated within ninety (90) days of the Effective Date (the "Preliminary Report"), relating to the Glendale Property and the Wilshire Property which Buyer may use to obtain, directly from the Title Company, copies of those documents referenced as exceptions in the Preliminary Report, so that, to the extent Buyer wishes to do so, it shall be able to review all such documents;
- (2) The current Tenants' Leases, including any and all amendments thereto; Service Contracts; maintenance records; copies of current utility bills (to the extent received); copies of architectural plans and "as-built" drawings (if any) for the buildings (which Buyer understands do not necessarily reflect the present state of the buildings); building permits, certificates of occupancy, and licenses pertaining to the Property to the extent they remain in effect; copies of any written warranties relating to the Personalty; copies of insurance claim reports, if any; and Seller's Property operating statements for calendar years 1995 and 1996 and monthly operating statements for January 1997 through September 1997;
- (3) Copies of all real property tax and assessment bills received by Seller for the 1996-97 and 1997-98 tax years;
- (4) That certain Phase I Environmental Survey prepared by Woodward & Clyde dated August 3, 1993 and a Phase II report prepared by the same consultant dated August 6, 1993, both with respect to the Glendale Property;
- (5) That certain Americans With Disabilities Act study prepared by Palazzolo and Company dated February 4, 1994, and that certain Property Conditions Assessment Report study prepared by Building Diagnostic Group dated May 30, 1995, both with respect to the Glendale Property;
- (6) A Seismic Study dated August 2, 1994, and prepared by Englekirk & Sabol, with respect to the Wilshire Property;
- (7) An Environmental Site Assessment dated March 1994, and prepared by Woodward & Clyde, with respect to the Wilshire Property;
- (8) A Seismic Report dated September 1994, and prepared by Woodward & Clyde, with respect to the Wilshire Property;
- (9) Seismic Retrofit Plans dated November 1994, and prepared by Englekirk & Sabol, with respect to the Wilshire Property; and
- (10) A Letter dated September 15, 1997 from Englekirk & Sabol, with respect to the Wilshire Property.

(2) ALTA Survey. In the event that Buyer determines that it desires to obtain an American Land Title Association survey with respect to the Property (the "Survey"), Buyer may obtain such a Survey during the Investigation Period (as defined below), at Buyer's sole cost and expense; provided, however, that if Buyer fails to obtain the Survey prior to the end of the Investigation Period, Buyer must either cancel Escrow or proceed to purchase the Property based solely on Title Company's agreement to provide standard title insurance coverage (with exceptions for any items a survey would disclose and for any items disclosed by a Survey obtained after the end of the Investigation Period). Without limiting the generality of the foregoing, Buyer acknowledges and agrees that Buyer's failure to obtain a Survey prior to the end of the Investigation Period shall not be deemed a default hereunder or a failure of a condition to Buyer's obligation to Close, but Buyer's delay in obtaining the Survey shall not extend the Investigation Period or the Outside Closing Date, and, to the extent any items are disclosed to Buyer in a Survey delivered to Buyer after the end of the Investigation Period, such items shall be deemed "Permitted Exceptions" (as defined below).

(3) Investigation Period. Beginning upon the date of Buyer's and Seller's execution and delivery of the Entry Permit (as defined below), and terminating as of 12:00 noon PST on Monday, November 24, 1997 (the "Investigation Period"), Buyer may, subject to the limitations set forth in this Agreement and in the Entry Permit, investigate any and all aspects of the Property. To the extent Buyer is entitled to investigate particular matters during the Investigation Period, Seller, at no cost or expense to Seller, shall reasonably cooperate with Buyer to the extent Seller's cooperation is required for Buyer to obtain public information pertaining to the Property from governmental agencies. If, in Buyer's sole discretion, Buyer disapproves of any aspect of the Property, Buyer may cancel the Escrow by Notice to Seller delivered to Seller on or before 5:00 p.m. PST on the last day of the Investigation Period. If Buyer does not timely cancel Escrow as set forth in the above sentence, Buyer shall be unconditionally obligated to purchase both the Glendale Property and the Wilshire Property without any contingencies (other than Section 7(a) conditions precedent). Upon termination of the Investigation Period without timely cancellation of Escrow, the Deposit shall be non-refundable in favor of Seller, and shall be released to Seller by Escrow Agent without further act of Buyer. If Escrow is canceled during the Investigation Period in accordance herewith, Buyer shall deliver to Seller, for retention by Seller, all information, studies, and reports obtained or made by Buyer or its agents relating to the Property. In addition, if Escrow is canceled during the Investigation Period in accordance herewith, Seller shall instruct Escrow Agent to refund the Deposit to Buyer, net only of Buyer's share of costs and expenses

of the Escrow and title. The inspection, investigation and survey of the Land and other portions of the Property by Buyer shall be in lieu of any notice or disclosure required by Section 25359.7 of the California Health and Safety Code, or by any provision of the Civil Code or pursuant to any other applicable law, and Buyer hereby waives any requirement for a notice pursuant to those provisions. Buyer shall be deemed to have approved all soil and other physical conditions pertaining to the Property unless it cancels Escrow in accordance herewith on or before the end of the Investigation Period. Notwithstanding anything to the contrary herein, if Buyer desires to undertake any testing, investigation or inspection of the Land with respect to the presence of hazardous or toxic substances or any substance which requires investigation or remediation under any federal, state or local statute, regulation, ordinance, order, action or policy, Buyer shall perform such inspections, investigations or tests on or before the expiration of the Investigation Period, using only environmental engineers or consultants from the approved list of engineers and consultants to be provided by Seller.

(4) Title. Not later than 5:00 PST on Monday, November 17, 1997, Buyer may provide Notice to Seller that Buyer disapproves of one or more matters affecting title to the Property (the "Title Notice Date") and request that Seller correct such deficiency. All matters affecting title to the Property which are not disapproved by Buyer by Notice to Seller on or before the Title Notice Date, together with all matters consented to by Buyer or created by Buyer or its agents, or by a tenant (without Seller's written consent), shall be deemed to be "Permitted Exceptions" for the purposes of this Agreement; provided, however, that Buyer shall have the right to further disapprove title exceptions up until the date which is four (4) days prior to the expiration of the Investigation Period, if and to the extent a Survey obtained by Seller shows exceptions unacceptable to Buyer and not disclosed in the previously approved Permitted Exceptions. In the event Seller receives no such Notice, all matters affecting title to the Property shall be deemed Permitted Exceptions. If Buyer timely and properly objects to a title matter, Seller shall, in the exercise of its sole discretion, at least one (1) day prior to the end of the Investigation Period, advise Buyer whether Seller intends to correct the title objection or provide endorsement coverage with respect thereto prior to the close of Escrow. If Seller elects not to correct the deficiency or provide endorsement coverage with respect thereto, or if Seller provides no Notice to Buyer of its intent with respect thereto (in which event Seller shall be deemed to have elected not to correct the deficiency or provide endorsement coverage with respect thereto), Buyer shall be required, either to waive its objection or cancel Escrow by Notice delivered to Seller and Escrow Agent on or before the expiration of the Investigation Period. Subject to any deficiency which Seller has

agreed to correct or endorse prior to the close of Escrow, if Buyer does not cancel Escrow during the Investigation Period, Buyer shall be deemed to have waived its previous objections to matters affecting title to the Property, which objections shall thereafter be deemed included in the "Permitted Exceptions." Notwithstanding the foregoing, Seller agrees to use its reasonable efforts to cause the removal from the Title Policy (by removal, indemnity or endorsement), prior to Closing, of all monetary encumbrances recorded against the Real Property after the end of the Investigation Period, other than (i) liens recorded as a result of acts or omissions of Buyer, and (ii) liens recorded as a result of acts or omissions of Tenants.

(5) Title Commitment. On or before the expiration of the Investigation Period, Buyer shall have obtained from Title Company Commitments to issue, in a form acceptable to Buyer, a standard coverage policy of title insurance (collectively, the "Title Policy") dated as of the Closing Date, with respect to the Glendale Property and the Wilshire Property, in an amount which, in the aggregate, is equal to the amount of the Purchase Price, showing fee title to, respectively, the Glendale Property and the Wilshire Property vested in Buyer, subject only to the Permitted Exceptions, and with such endorsements and such exclusions as shall be acceptable to Buyer (each, a "Commitment"). If Buyer fails to obtain the Commitments, Buyer shall be required to close Escrow (subject only to the conditions in Section 7(a)) notwithstanding that Buyer may not be able to obtain, thereafter, a Title Policy in a form acceptable to Buyer with respect to each of the Glendale Property and the Wilshire Property.

(6) Buyer's Right of Entry. Prior to the Effective Date, Buyer and Seller have entered into that certain Entry Permit shown on Exhibit "F" attached hereto ("Entry Permit"), and shall act in accordance with the terms of that Entry Permit, subject, however, to the more specific limitations set forth in this Agreement. Buyer shall have the right to enter the Property prior to the end of the Investigation Period, to conduct, at Buyer's cost, expense and liability, the following studies or inspections: (i) a market and neighborhood analysis; (ii) a complete financial analysis of the Property; (iii) subject to the rights of Tenant, physical inspections and structural and seismic analyses of the Improvements; (iv) soils, geology and environmental studies; and (iv) an architectural inspection of the Property. In addition, Buyer may enter the Property, subject to the Entry Permit through the Closing Date with the prior written consent of Seller (which consent shall not be unreasonably delayed or denied), in connection with preparation for transfer of the Property to Buyer (but not to conduct continuing diligence after expiration of the Investigation Period), for purposes such as obtaining access to the books and records of Seller made available to Buyer pursuant to Section 5(a) above, in connection with audits by Buyer's

auditors, and meeting with on-site staff to effect an orderly transition of management following the Closing Date.

7. Limitation on Leasing. While this Agreement is in effect, and so long as Buyer is not in default hereunder, Seller shall not modify any of the Leases or enter into any new Leases after the Effective Date without the prior written consent of Buyer, which shall not be unreasonably withheld. Such consent shall be conclusively presumed to be granted two (2) business days after a copy of such proposed new Lease or Lease modification is delivered to Buyer, unless Buyer objects in writing, listing the specific and reasonable basis for such objection, by Notice to Seller within such period. As to all such Leases or Lease modifications entered into after the Effective Date (unless Buyer timely and properly objects as set forth above), Buyer hereby expressly assumes all obligations of the landlord under such Leases, including obligations with respect to tenant improvements, leasing commissions and free rent or other rent concessions, whether such obligations are payable prior or subsequent to the Closing Date. In addition to the foregoing, Buyer assumes all such obligations with respect to a Lease entered into by and between Seller and MSI Entertainment, Inc. with respect to Suite 402 at the Wilshire Property, notwithstanding that such Lease was entered into prior to the Effective Date, including without limitation leasing commissions due in connection with entering into such Lease; provided, however, that Buyer shall be responsible for leasing commissions in the amount of \$13,090.64, and Seller shall be responsible for any leasing commissions in excess of that amount. Except with respect to entering into new Leases and Lease modifications, Seller shall retain all of its rights to operate the Property in the ordinary course of business prior to the Closing Date, including taking legal action against Tenants in default under their Leases, and Buyer shall cooperate (at no cost to Buyer) with Seller's prosecution of such actions to completion following the Closing. Notwithstanding the foregoing, prior to delivering a Tenant notice under Code of Civil Procedure '1161, et seq., Seller shall deliver a Notice to Buyer specifying the nature of the default and the amount to be paid or other actions required to cure the default. If Buyer fails to deliver Notice to Seller within three (3) days of Seller's Notice, pursuant to which Buyer agrees to treat such Lease as a Lease subject to the provisions of Sections 4(a)(ii) and 4(b)(ii) (so as to apply amounts received post-closing first to delinquent amounts which accrued pre-closing), then Seller may proceed to exercise its rights and remedies against such Tenant.

8. Conditions Precedent to Closing.

(1) Buyer's Conditions. The closing of the purchase of the Property on the Closing Date and Buyer's obligation to acquire

the Property shall, in addition to any other conditions set forth herein, be conditional and contingent upon satisfaction, or waiver by Buyer, of all of the below listed conditions:

- (1) Personal Property. The Personalty shall consist of those items described on Exhibit "B-1" hereto with respect to the Glendale Property and Exhibit "B-2," with respect to the Wilshire Property, subject only to changes relative to use and consumption thereof during the ordinary course of business while this Agreement is in effect;
- (2) Compliance with Agreement. Seller shall have substantially performed and complied with all of its covenants and conditions contained in this Agreement;
- (3) Accuracy of Representations and Warranties. The representations and warranties of Seller set forth in this Agreement shall be confirmed by Seller in writing as materially true and correct as of the Closing Date;
- (4) Title. No matters shall have been placed of record after expiration of the Investigation Period, and remain of record as of the Closing Date, other than mechanics and materialmen liens, and other liens, placed of record (i) in connection with acts or omissions of Tenants or work performed by or for Tenants, and not financed by Seller, and (ii) as a result of acts or omissions of Buyer, which matters the Title Company intends to include as an exception to the Title Policy;
- (5) Casualty or Condemnation. No casualty or condemnation has occurred pursuant to which Buyer has elected to terminate the Agreement in accordance with Section 13 below; and
- (6) Estoppels. Seller shall have delivered to Buyer prior to the Closing Date, Tenant estoppels, executed within sixty (60) days of the Closing Date and in the form of Exhibit "G-1" (with respect to the Glendale Property Leases), and Exhibit "G-2" with respect to the Wilshire Property Leases, either directly to the benefit of Buyer or assigned by Seller to Buyer, and without any material exceptions noted thereon by the applicable Tenant except for Permitted Estoppel Exceptions (as defined below) ("Tenant Estoppels") from (i) Tenants leasing, in the aggregate, as of the Effective Date, not less than seventy percent (70%) of the total leased space in each of the Glendale Property and the Wilshire Property, and (ii) Tenants leasing, in the aggregate, as of the Effective Date, more than 3500 square feet of net rentable area in each of the Glendale Property and the Wilshire Property (it being understood and agreed that Leases entered into after the Effective Date and approved or deemed approved by Buyer shall be deemed to have approved Tenant Estoppels); provided, however, that, with respect to one or more particular premises in the

Property, Seller may, in lieu of delivering to Buyer a Tenant Estoppel to meet such condition, deliver a "Seller's Estoppel" with respect to such leased space, in the form of Exhibit "G-3" attached hereto, subject only to Permitted Estoppel Exceptions; provided, further, however, that in the event that Seller thereafter delivers a Tenant Estoppel to Buyer with respect to the same Lease (either before or after the Closing Date), then Seller's Estoppel shall be of no force and effect with respect to the Lease covered by such Tenant Estoppel, if and to the extent that the Tenant Estoppel is consistent with the previously delivered Seller's Estoppel. As used herein, "Permitted Estoppel Exceptions" means all of the following: (x) a Tenant's failure or refusal to provide the bracketed paragraphs on Exhibit "G-1" with respect to the Glendale Property (such that Seller shall deliver, to all Tenants at the Glendale Property, the form of Tenant Estoppel on Exhibit "G-1" including such paragraphs, but if one or more Tenants only deliver a Tenant Estoppel with such paragraphs omitted or stricken, such a Tenant Estoppel shall nevertheless be deemed to be a conforming Tenant Estoppel; provided, however, that if Paragraph 14 (as shown on Exhibit AG-1@) is omitted or stricken, Seller shall be entitled to satisfy the estoppel requirement by delivering a Seller's Estoppel acknowledging that Buyer and its potential lenders may rely on the Tenant Estoppel); (y) a Wilshire Property Tenant's failure to include (after Seller's delivery to such Tenant the Tenant Estoppel in the form of Tenant Estoppel on Exhibit "G-2"), Paragraphs 10 or 11 of Exhibit "G-2" with respect to the Wilshire Property; and (z) a Tenant's disclosure of information (i) consistent with the Lease of the Tenant, or inconsistent with such Lease in an immaterial respect, or (ii) known to or made available to Buyer prior to expiration of the Investigation Period in connection with Buyer's review of materials pursuant to Section 5 above.

(2) Seller's Conditions. The closing of the purchase of the Property on the Closing Date and Seller's obligation to sell and convey the Property shall, in addition to any other conditions set forth herein, be conditional and contingent upon satisfaction, or waiver by Seller, of each and all of the below listed conditions:

- (1) Compliance with Agreement. Buyer shall have substantially performed and complied with all of its covenants and conditions contained in this Agreement, and shall have delivered all documents required to be delivered by Buyer pursuant hereto to effect a concurrent purchase of both the Glendale Property and the Wilshire Property in accordance herewith;
- (2) Accuracy of Representations and Warranties. All representations and warranties of Buyer contained in or made pursuant to this Agreement shall be confirmed by Buyer in writing

as true and correct as of the Closing Date;

- (3) Title. The condition precedent set forth in Section 7(a)(iv) shall have been satisfied.

9. Closing Documents. On or before the Closing Date, Seller and Buyer shall deliver to Escrow Agent the following fully-executed documents and/or items, acknowledged where appropriate (together referred to herein as the "Closing Documents"):

(1) Deed. Two Grant Deeds, in the form attached as Exhibit "H-1" (relating to the Glendale Property) and Exhibit "H-2" (relating to the Wilshire Property) (collectively, the "Deeds"), executed by and notarized on behalf of Seller, and conveying Seller's interest in the Land and Improvements to Buyer, subject to general and special real estate taxes and assessments, and all matters of record or apparent from an inspection or survey;

(2) Bill of Sale, Assignment and Assumption Agreement. A Bill of Sale, Assignment and Assumption agreement to be executed and delivered by Seller and Buyer, in the form attached hereto as Exhibit "I-1" relating to the Glendale Property and Exhibit "I-2" relating to the Wilshire Property (collectively, the "Bill of Sale") (i) conveying to Buyer title to the Personalty, (ii) assigning to Buyer Seller's interest in all Leases and providing for assumption thereof by Buyer, (iii) assigning to Buyer, Seller's interest in all assignable, written or oral service, maintenance, construction, parking, brokerage, leasing commission, advertising, employment, operating or other contracts, arrangements or agreements affecting the Property, including any third party management agreements or contracts (but not any management agreement or management contract, or leasing agreement with respect to the entire Property, entered into by ARES, Inc. or any other affiliate of Seller), and any agreements pursuant to which goods, services, supplies or any other items whatsoever are furnished and/or to be furnished in connection with the Property, or the repair, maintenance or operation of the Property or any portion or component thereof ("Service Contracts"), and providing for assumption thereof by Buyer, and (iv) assigning to Buyer all of Seller's interest in the Intangible Property, together with originals of all Intangible Property (if applicable) in each case without representation by Seller as to assignability or other matters (except to the extent expressly represented and warranted by Seller herein in Section 10 below).

(3) Non-Foreign Status Affidavit. Seller shall deliver an Affidavit of Non-Foreign Status in the form of Exhibit "J" attached hereto, together with a State of California FTB 590RE form.

(4) Other Documents. Buyer and Seller shall deliver such other documents as shall be reasonably required to transfer or assign the Property to Buyer, and provide for assumption of liabilities by Buyer as provided herein.

10. Closing.

(1) Closing Date. The Closing Date shall be on a business day as agreed to by Seller and Buyer, but in all events shall be on a date no later than the Outside Closing Date, unless this date is mutually extended in writing by Seller and Buyer in the exercise of their respective sole discretion.

(2) Time and Place. The Closing shall take place through Escrow on the Closing Date at the offices of Escrow Agent.

(3) Payment of Purchase Price. Buyer shall deliver to Escrow at least one (1) business day before the Closing Date immediately available funds in the amount of the Purchase Price plus any prorations, costs and expenses hereunder payable by Buyer, and less the amount of the Deposit (which shall have been delivered to Seller on or before the day after the expiration of the Investigation Period). The amount of the Deposit shall be credited against the Purchase Price upon Closing.

(4) Possession. Possession of the Property shall be delivered to Buyer on the Closing Date, subject only to the rights of Tenants under the Leases and matters of record or apparent by inspection or survey of the Property. At Closing, Seller will make available to Buyer at the Real Property all keys (identified as to suite), Personalty, and originals or true and correct copies of all plans and specifications, manuals, warranties and operating logs for the Real Property and other operating and management documents not previously delivered to Buyer and in Seller's possession or control.

(5) Closing Costs. Seller shall pay at Closing the premium for the standard coverage policy of title insurance, documentary transfer fees and one-half of the escrow and recording fees. Buyer shall pay the premium for the extended coverage policy of title insurance and one-half of the escrow and recording fees. Seller and Buyer shall each be responsible for paying their respective attorneys' fees and costs, if any.

(6) Settlement Statement and Disbursement Ledger. Escrow Agent shall prepare and deliver to the parties on the Closing Date a correct Settlement Statement and Cash Receipts and Disbursements Ledger.

(7) Title Policy. Escrow Agent shall require Title Company to deliver the Title Policy to Buyer (with a copy to Seller) within fifteen (15) business days following the Closing Date.

(8) Bill of Sale. On the Closing Date, Seller shall assign to Buyer, the Personalty and the Intangible Property, with the exception of items of Personalty excluded pursuant to the Bill of Sale, and Seller shall assign to Buyer and Buyer shall assume, Seller's rights and obligations under, the Leases and Service Contracts, in accordance with and as specified in the Bill of Sale.

(9) Audit Letter. On or before the Closing Date, at Buyer's request, Seller shall deliver a letter to Buyer's auditors, in the form of Exhibit "K" attached hereto.

11. Representations and Warranties of Seller. Seller represents and warrants to Buyer, as of the Effective Date and as of the Closing Date, as follows:

(1) Status of and Execution by Seller. Seller is (i) in good standing and validly existing as a New York corporation; and (ii) duly authorized, qualified and licensed to do all things required of it under or in connection with this Agreement, including to execute, deliver and perform this Agreement. All agreements, instruments, and documents herein provided to be executed by Seller will be duly executed by and binding upon Seller as of the Closing.

(2) Leases. The Lease Schedule attached hereto as Exhibit "L" correctly lists, as of the Effective Date, all of the Leases and the base rental currently required to be paid with respect thereto. Except as disclosed on Exhibit "L," the Leases are not in monetary default as of the Effective Date, and Seller shall have, on or before the Diligence Date, made available to Buyer true and accurate copies of the Leases in effect as of the Effective Date. Notwithstanding anything to the contrary in this Agreement, to the extent that the foregoing statements are confirmed by Tenants in Tenant Estoppels delivered to Buyer (or in other documents made available to Buyer), Seller shall have no obligation or liability to Buyer with respect to such statements regarding such Leases.

(3) Service Contracts. There are no Service Contracts which are not terminable on thirty (30) (or fewer) days' notice, and entered into by Seller with respect to the Property, which remain in effect, except those listed on Exhibit "M" attached hereto.

(4) Mechanics Liens. To Seller's knowledge, there are no mechanics liens outstanding with respect to the Property as a result of work performed thereon by Seller, or contractors or agents of Seller, except any of the same as shall be removed (or endorsed over by Title Company) as of the Closing Date.

(5) Financial Statements. To Seller's knowledge, there are no

materially incorrect income or expense figures in any financial statements prepared by or for Seller and made available to Buyer with respect to the Property, except as may be corrected in other financial or other statements or documents made available to Buyer in connection with Buyer's due diligence, and Seller acknowledges and agrees that Buyer, at Buyer's sole cost and expense, may request its auditors to review such statements in connection with its purchase of the Property.

(6) Pending Actions. To Seller's knowledge, except as set forth on Exhibit "C," there is no litigation, claim, administrative action, arbitration or other proceeding now pending or threatened in writing against Seller relating to the Property, which would materially and adversely affect the use, operation or construction of the Property, and which is not a matter of public record.

(7) No Violations. To Seller's knowledge, Seller has received no written notice of violations of City, County, State, Federal, building, fire or health codes, zoning codes or other regulations or ordinances, filed or issued against the Property by any government authority, which violations remain outstanding and which would materially and adversely affect the use of the Property.

As used in this Agreement, the term "to Seller's knowledge" shall mean to Seller's actual present knowledge, as determined by the state of knowledge of the individual who acts as the Seller's asset manager of the Property as of the Effective Date (or, with respect to Section 10(g) only, as determined by the state of knowledge of Steve Randall and Carol Kenney, with respect to the Glendale Property and, of Steve Randall, Carol Kenney and Eric Van't Hof, with respect to the Wilshire Property), without independent investigation or independent review of Seller's files. Seller shall not have any liability for breach of its representations and warranties herein if, as of the Closing Date, the representations and warranties set forth above shall not be true, but Buyer has knowledge of such facts prior to the Closing and proceeds to close Escrow notwithstanding such facts. Seller shall be entitled to state in writing prior to Closing exceptions to the representations, warranties, and covenants set forth above, in which case Buyer may (i) terminate this Agreement if such exceptions are not reasonably acceptable, in which event the Deposit (less Buyer's share of Escrow and Closing costs) shall be returned to Buyer, or (ii) elect to close Escrow notwithstanding such exceptions. In either event, Seller shall have no further obligation or liability to Buyer. The representations and warranties of Seller set forth in this Agreement shall survive for one (1) year after the close of Escrow.

12. Representations and Warranties of Buyer. Buyer represents and warrants to Seller, as of the Effective Date and as of the

Closing Date, as follows:

(1) Status of and Execution by Buyer. Buyer is now and on the Closing Date will be: (i) duly formed and validly existing as a Maryland limited partnership; (ii) duly authorized, qualified and licensed under the laws of the State of California to conduct business and to acquire the Property; and (iii) duly authorized, qualified and licensed to do all things required of it under or in connection with this Agreement, including to execute, deliver and perform this Agreement. All agreements, instruments, and documents herein provided to be executed by Buyer will be duly executed by and binding upon Buyer as of the Closing.

(2) No Violations. Neither this Agreement nor any of the agreements, instruments and documents herein provided to be executed or to be caused to be executed by Buyer violate or will violate any provision of any agreement, law, regulation or judicial order to which Buyer is a party or by which it is bound.

The representations and warranties of Buyer contained in this Agreement shall survive for one (1) year after the close of Escrow.

13. Condition of the Property.

(1) AS-IS. Buyer acknowledges that Seller is selling, and Buyer shall accept, the Property in an "AS IS" condition without any representation or warranty whatsoever by Seller relating to the Property, with the exception of the express, limited representations and warranties set forth in Section 10 above. Buyer acknowledges that it is a sophisticated real estate investor who shall have had, as of the Closing Date, open access to, and sufficient time to review, all information, documents, agreements, studies and tests relating to the Property that Buyer elects to conduct, and conduct a complete and thorough inspection, analysis and evaluation of the Property, including without limitation investigation of structural, seismic, zoning, land use and environmental issues, if any, and further acknowledges that Buyer shall conduct such tests and investigations, if at all, prior to expiration of the Investigation Period, and that Buyer shall receive and review such information as Buyer shall require in the course of its investigation. Buyer shall undertake such investigation as Buyer shall deem necessary or desirable to make Buyer fully aware of the condition of the Property as well as all facts, circumstances and information which may affect the use and operation of the Property, and Buyer covenants and warrants to Seller that Buyer shall rely solely on Buyer's own due diligence investigation in determining to purchase the Property.

(2) Release. Effective as of the Closing Date, Buyer, on behalf of itself, its officers, directors and its and their respective

successors, shall, and by the execution of this Agreement, hereby does, forever release Seller, its officers, directors, agents and employees, and its and their respective successors, of and from any and all losses, liabilities, damages, claims, demands, causes of action, costs and expenses, whether known or unknown, arising out of or in any way connected with the Property, including the condition of title to the Property (and Seller's interest in and ownership thereof) and the environmental and structural condition of the Property (herein, "Losses"). Buyer shall, upon the Closing, and, by the execution of this Agreement, hereby does, forever release Seller of and from any environmental claims and causes of action existing now or hereafter created or enacted, whether at common law or by federal, state, county, or municipal law or ordinance. Buyer agrees never to commence, aid in any way, or prosecute against Seller, its officers, directors, agents or employees or its and their respective successors, any action or other proceeding based upon any Losses. The foregoing release shall not be deemed to release any claim of Buyer for Seller's breach of its representations and warranties set forth in Section 10 above (subject to the limitation on the survival of such representations and warranties as set forth in Section 10), nor any claim of Buyer for damages resulting from the untruth of any matter which Seller certifies to be true in any Seller's Estoppel delivered to Buyer in connection with this Agreement, which Seller's Estoppel remains in effect as of the date Buyer brings such claim.

(3) Waiver. Buyer expressly waives any rights or benefits available to it with respect to the foregoing release under any provision of applicable law which generally provides that a general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time the release is agreed to, which, if known to such creditor, would materially affect a settlement. Buyer, by the execution of this Agreement, acknowledges that it fully understands the foregoing, and with this understanding, nonetheless elects to and does assume all risk for Losses known or unknown, described in this Section 12. Without limiting the generality of the foregoing:

THE UNDERSIGNED ACKNOWLEDGES THAT IT HAS BEEN ADVISED BY LEGAL COUNSEL AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

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

THE UNDERSIGNED, BEING AWARE OF THIS CODE SECTION, HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS

UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

Seller's Initials: /s/ SR Buyer's Initials:/s/ VJC

14. Casualty or Condemnation. If prior to the Closing Date, the Property shall be destroyed or substantially damaged, and the cost to repair shall exceed One Million Dollars (\$1,000,000.00), or if the Property shall become the subject of any proceedings, judicial, administrative, or otherwise, for eminent domain or condemnation where the value of the portion of the Property sought exceeds One Million Dollars (\$1,000,000.00), Seller shall promptly notify Buyer thereof, and Buyer may then, within fifteen (15) days after delivery of Notice of the same by Seller, elect to terminate this Agreement by giving Seller Notice thereof, in which event the parties hereto shall be relieved and released of and from any further duties, obligations, rights, or liabilities hereunder (but not under the Entry Permit), and the Deposit shall be returned to Buyer (less only Buyer's half of Escrow fees and costs). If the Closing Date is within the aforesaid fifteen (15) day period, then the Closing shall be extended to the next business day following the end of said fifteen (15) day period. If (i) the value of the Property destroyed or substantially damaged or subject to taking is equal to or less than One Million Dollars (\$1,000,000.00), or (ii) Buyer elects to complete the transactions contemplated herein as provided above notwithstanding destruction or eminent domain or condemnation proceedings involving damage or condemnation value of in excess of One Million Dollars (\$1,000,000.00), this Agreement shall remain in full force and effect and the purchase contemplated herein, less any portion of the Property taken by eminent domain or condemnation, if any, shall be consummated with no further adjustment or modification and at the Closing Seller shall assign, transfer, and set over to Buyer all the right, title, and interest of Seller in and to any insurance proceeds resulting from the casualty or any awards that have been or may thereafter be made for the taking or condemnation.

15. Default and Remedies.

IF (i) BUYER IS IN DEFAULT OF THIS AGREEMENT PRIOR TO THE CLOSING, (ii) BUYER FAILS TO CURE SUCH DEFAULT ON OR BEFORE THE DATE WHICH IS FIVE (5) DAYS AFTER NOTICE THEREOF FROM SELLER (OR, IF EARLIER, ON OR BEFORE THE OUTSIDE CLOSING DATE), AND (iii) SELLER ELECTS TO TERMINATE THIS AGREEMENT DUE TO BUYER'S DEFAULT, THE DEPOSIT AND ALL OTHER PAYMENTS AND THINGS OF VALUE DELIVERED BY BUYER SHALL BE FORFEITED BY BUYER AND RETAINED BY SELLER, AND BOTH PARTIES SHALL THEREAFTER BE RELEASED FROM ALL FURTHER OBLIGATIONS UNDER THIS AGREEMENT. IF (i) SELLER IS IN DEFAULT OF THIS AGREEMENT PRIOR TO THE CLOSING, (ii) SELLER FAILS TO CURE SUCH DEFAULT ON OR BEFORE THE DATE WHICH IS FIVE (5) DAYS AFTER

NOTICE THEREOF FROM BUYER (OR, IF EARLIER, ON OR BEFORE THE OUTSIDE CLOSING DATE), AND (iii) BUYER ELECTS TO TERMINATE THIS AGREEMENT DUE TO SELLER'S DEFAULT, BUYER SHALL BE ENTITLED TO OBTAIN A RELEASE OF THE DEPOSIT, AND IN LIEU OF ALL OTHER REMEDIES AND DAMAGES, BUYER SHALL BE ENTITLED TO, AT ITS ELECTION, EITHER (A) SPECIFIC ENFORCEMENT OF SELLER'S DUTY TO TRANSFER THE PROPERTY PURSUANT TO THIS AGREEMENT, OR (B) PAYMENT BY SELLER OF ONE MILLION DOLLARS (\$1,000,000.00) AS LIQUIDATED DAMAGES (IN WHICH EVENT BOTH PARTIES SHALL THEREAFTER BE RELEASED FROM ALL FURTHER OBLIGATIONS HEREUNDER); PROVIDED, HOWEVER, BY PURSUING AN ACTION FOR SPECIFIC PERFORMANCE, BUYER SHALL BE DEEMED TO HAVE IRREVOCABLY ELECTED SUCH ACTION AS ITS SOLE REMEDY HEREUNDER AND SHALL NOT BE ENTITLED TO MAINTAIN A CONCURRENT OR ALTERNATIVE ACTION FOR ANY OTHER DAMAGES OR REMEDIES.

BUYER AND SELLER ACKNOWLEDGE THAT BUYER'S AND SELLER'S DAMAGES WOULD BE DIFFICULT OR IMPOSSIBLE TO DETERMINE IN THE EVENT, RESPECTIVELY, OF BUYER'S OR SELLER'S FAILURE TO PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT AND THAT THE DEPOSIT AND THE LIQUIDATED RECOVERY SET FORTH ABOVE, FOR BUYER IN THE EVENT OF SELLER'S BREACH, AND SELLER IN THE EVENT OF BUYER'S BREACH, ARE REASONABLE ESTIMATES OF SUCH DAMAGES. THE DEPOSIT AND SUCH OTHER PAYMENT SHALL, THEREFORE, BE LIQUIDATED DAMAGES TO, RESPECTIVELY, SELLER AND BUYER, AND RETENTION THEREOF OR RECEIPT THEREOF SHALL BE, RESPECTIVELY, SELLER'S AND BUYER'S SOLE AND EXCLUSIVE REMEDY FOR THE OTHER PARTY'S FAILURE TO PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT IN THE EVENT THE NON-DEFAULTING PARTY ELECTS TO TERMINATE THIS AGREEMENT (UNLESS BUYER ELECTS ITS RIGHT TO SEEK SPECIFIC PERFORMANCE AS PROVIDED HEREIN). EXCEPT AS EXPRESSLY PROVIDED ABOVE, SELLER AND BUYER EACH EXPRESSLY WAIVE THE REMEDIES OF SPECIFIC PERFORMANCE AND ADDITIONAL DAMAGES. IN ADDITION, BUYER HEREBY WAIVES ANY RIGHT (EXCEPT IN CONNECTION WITH AN ACTION FOR SPECIFIC PERFORMANCE), WHICH BUYER MAY OTHERWISE HAVE TO RECORD ANY NOTICE OF PENDING ACTION (LIS PENDENS) AFFECTING THE PROPERTY. BUYER AND SELLER FURTHER ACKNOWLEDGE BY THEIR INITIALS BELOW THAT THEIR RESPECTIVE WAIVER OF THEIR RIGHTS PURSUANT TO THIS SECTION 14 IS MATERIAL CONSIDERATION FOR THE OTHER PARTY TO ENTER INTO THIS AGREEMENT.

SELLER'S INITIALS /s/ SR

BUYER'S INITIALS: /s/ VJC

16. Brokerage Commissions. Buyer hereby represents and warrants to Seller that Buyer has not incurred, and shall not have incurred as of the Closing Date, any liability for the payment of any brokerage fee or commission in connection with the transaction contemplated in this Agreement. Seller hereby represents and warrants to Buyer that Seller has not incurred, and shall not have incurred as of the Closing Date, any liability for the payment of any brokerage fee or commission in connection with the transaction contemplated in this Agreement, except for

the commission due David M. Norcott and Colliers/The Seeley Company, with respect to the Wilshire Property, and Cushman & Wakefield, with respect to the Glendale Property, which commission (as between Buyer and Seller) shall be the sole obligation of Seller. Seller and Buyer hereby agree to defend, indemnify and hold harmless the other from and against any and all claims of any other person claiming a brokerage fee or commission in connection with the Property through such party.

17. Miscellaneous.

(1) No Exchange. Seller shall not participate in, or accommodate Buyer in connection with, a 1031 exchange.

(2) Entire Agreement. This Agreement supersedes all prior discussions, agreements and understandings between Seller and Buyer, with the exception of the Entry Permit and the confidentiality letter signed by Buyer on or about October 21, 1997, and constitutes the entire agreement between Seller and Buyer with respect to the transaction herein contemplated. This Agreement may be amended or modified only by a written instrument executed by Seller and Buyer.

(3) Waiver. Each party hereto may waive any breach by the other party of any of the provisions contained in this Agreement or any default by such other party in the observance or performance of any covenant or condition required to be observed or performed by it contained herein; provided, however, that such waiver or waivers shall be in writing, shall not be construed as a continuing waiver, and shall not extend to or be taken in any manner whatsoever to affect any subsequent breach, act or omission or default or affect each party's rights resulting therefrom. No waiver will be implied from any delay or failure by either party to take action on account of any default by the other party. No extension of time for performance of any obligations or acts shall be deemed an extension of the time for performance of any other obligations or acts.

(4) Further Assurances. Each party hereto shall do such further acts and execute and deliver such further agreements and assurances as the other party may reasonably require to give full effect and meaning to this Agreement.

(5) Notices. All notices demands, consents, approvals and other communications given pursuant to this Agreement (each, a ANotice@) must be in writing and must be sent by hand, or by telecopy (with a duplicate copy sent by ordinary mail, postage prepaid), or by certified or registered mail, postage prepaid, return receipt requested, or by reputable overnight courier service, postage prepaid, addressed to the party to be notified as set forth below:

TO SELLER:

The Mutual Life Insurance Company of New York
19712 MacArthur Blvd., Suite 200
Irvine, California 92612
Telecopy No.: (714) 622-8889
Attention: H.E. Dan Shasteen, Esq.

With a copy to:

Croudace & Dietrich
5 Park Plaza, Suite 1050
Irvine, California 92614
Telecopy No.: (714) 251-2779
Attention: Debra M. Dietrich, Esq.

TO BUYER:

Arden Realty Limited Partnership
c/o Arden Realty, Inc.
9100 Wilshire Boulevard, East Tower, Suite 700
Beverly Hills, California 90212
Telecopy No.: (310) 246-2941
Attention: Mr. Victor Coleman

With a copy to:

Troy & Gould, P.C.
1801 Century Park East, 16th Floor
Los Angeles, California 90067
Telecopy No.: (310) 201-4746
Attn.: Kenneth R. Blumer, Esq.

Notices will be deemed given when delivered to Seller or Buyer, as applicable (regardless of whether delivered to the persons stated above to receive copies), by hand or when a legible copy is received by telecopier (provided receipt is verified by telephone confirmation or one of the other permitted means of giving Notices under this Section), or if mailed, three (3) days after deposit in the U.S. mail, certified, return receipt requested (or on the date of delivery for overnight courier service), with failure or refusal to accept delivery constituting delivery for this purpose. The parties agree to use reasonable efforts to provide copies of Notices to the outside counsel for the other party specified above, but delivery of such copies shall not be required for effective delivery of Notice. Actual notice, however and from whomever given or received, will always be effective Notice when received. Either party may change its address for Notices set forth above by giving at least ten (10) days' prior Notice of such change to the other party.

(6) Facsimile Signatures. Buyer and Seller each (i) agrees to permit the use of telecopied signatures, from time to time, where appropriate and consistent with subsection (e) above, in order to expedite the transaction contemplated by this Agreement, (ii) intends to be bound by its respective telecopied signature, (iii) is aware that the other party will rely on the telecopied signature, and (iv) acknowledges such reliance and waives any defenses to the enforcement of the documents and Notices effecting the transaction contemplated by this Agreement based on the fact that a signature or Notice was sent by telecopy.

(7) Successors and Assigns; Survival. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and assigns, provided, however, that if Buyer assigns this Agreement, Buyer shall not be relieved of any liability in connection herewith or the purchase and sale. Any provision of this Agreement which, by its terms, is to be performed after the Closing, shall survive the Closing Date until full performance thereof.

(8) Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California and the venue shall be in Orange County.

(9) No Third Parties Benefitted. The parties do not intend to confer any benefit on any person, firm, or corporation other than Seller and Buyer, except as and to the extent otherwise expressly provided herein.

(10) Attorneys' Fees. In the event of any dispute between any parties arising out of or in connection with this Agreement or any other document executed or delivered in connection herewith, including any litigation, arbitration, bankruptcy and appellate proceedings (and efforts to enforce the judgment, award or other disposition of any of the same), the party which prevails in such action (the "Prevailing Party") shall be reimbursed by the other party for attorneys' fees, costs and expenses incurred by the Prevailing Party in connection with such dispute (whether or not such costs or expenses are specified in California Code of Civil Procedure Section 1033.5 (a) or (b)). As used herein, the "Prevailing Party" shall mean the party which obtains the net monetary recovery or, if no monetary recovery is sought, the party obtaining the greater nonmonetary relief.

(11) Construction. The section titles or captions in this Agreement are for convenience only and shall not be deemed to be part of this Agreement. All pronouns and any variations of pronouns shall be deemed to refer to the masculine, feminine, or neuter, singular or plural, as the identity of the parties may require. Whenever the terms referred to herein are singular, the

same shall be deemed to mean the plural, as the context indicates, and vice versa. The enumeration of certain particulars as included within the general language shall not restrict the scope or affect the generality of such language, and except as expressly otherwise provided herein, the term "include" shall mean "include, but shall not be limited to" and the term "including" shall mean "including, without limitation." Both Buyer and Seller are sophisticated parties who have been represented by counsel in the negotiation of this Agreement, and this Agreement shall not be construed as if it had been prepared only by Buyer or Seller but rather as if both Buyer and Seller had prepared the same. If any term, covenant, condition, or provision of this Agreement or the application thereof to any person or circumstance shall, at any time or to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each provision of this Agreement shall be valid and shall be enforced to the fullest extent permitted by law.

(12) Time of Essence. Time is of the essence of this Agreement and each and every term and provision hereof.

(13) Confidentiality and Indemnification. Buyer covenants and agrees that: (i) all information provided to it by Seller in connection with the Property or resulting from Buyer's inspections of the Property and review of relevant materials will be held in strict confidence by it and its agents and employees, (ii) Buyer will return all such information to Seller in the event the transaction contemplated by this Agreement is not consummated for any reason, and (iii) Buyer will not rely thereon, but will instead conduct Buyer's own due diligence inquiry with respect to the Property. Buyer further agrees to indemnify and hold Seller harmless from and against any and all claims or damages, including attorneys' fees, resulting from Buyer's breach of the covenant contained herein and/or from its or its agents' or employees' entrance onto the Property. The indemnification contained herein shall, without limitation, survive the termination of this Agreement.

(14) Consents and Approvals. Both Seller and Buyer represent and warrant to the other that each have obtained all requisite consents and approvals, whether required by internal operating procedures or otherwise, for entering into this Agreement and closing the transaction contemplated hereby.

(15) No Other Agreements. After the Effective Date and until the earlier of the termination of this Agreement or the Outside Closing Date, Seller shall not enter into any written agreement with any other person or entity for the sale of the Property;

provided, however, that Seller may accept back-up offers with respect to purchase of the Property.

(16) Exhibits. All of the Exhibits referenced in this Agreement are incorporated herein by reference.

(17) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall be deemed one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Effective Date.

BUYER:

ARDEN REALTY LIMITED PARTNERSHIP,
a Maryland limited partnership

By Arden Realty, Inc., a Maryland corporation,
its sole general partner

By:/s/ Victor J. Coleman

Its: President and Chief Operating Officer

SELLER:

THE MUTUAL LIFE INSURANCE COMPANY
OF NEW YORK, a New York mutual life insurance company

By:/s/ Steven Randall

Its: Vice-President

"ESCROW AGENT:" The undersigned acknowledges receipt of this Agreement and agrees to act in accordance with all applicable provisions contained herein.

FIRST AMERICAN TITLE INSURANCE COMPANY OF LOS ANGELES,
a California corporation

By:/s/ Patricia Pewthers

Its: Senior Escrow Officer

FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT AND
JOINT ESCROW INSTRUCTIONS

THIS FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS ("Amendment") is made and entered into and is effective as of the 26th day of November, 1997 (the "Effective Date"), by and between THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK, a New York mutual life insurance company ("Seller"), and ARDEN REALTY LIMITED PARTNERSHIP, a Maryland limited Partnership ("Buyer").

RECITALS

A. Seller and Buyer entered into that certain Purchase and Sale Agreement and Joint Escrow Instructions, dated as of November 12, 1997 ("Original Purchase Agreement") pursuant to which Seller agreed to sell and Buyer agreed to purchase that certain property as defined in subsections (a) through (g) of the Original Purchase agreement (collectively referred to herein as the "Property"). All terms with initial capitalization used and not otherwise defined herein shall have the meanings set forth in the Original Purchase Agreement.

B. Seller and Buyer now desire to amend the Original Purchase Agreement to extend the Investigation Period, and to provide a mechanism for adjustment of the Purchase Price, to the extent (and only to the extent) described below, as a result of certain HVAC deficiencies as disclosed in the report of Paul Antieri obtained by Buyer with respect to the Glendale Property in connection with Buyer's due diligence (the "HVAC conditions"), and to clarify certain other matters relating to the sale, as further set forth below.

AGREEMENT

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING RECITALS, the mutual covenants set forth in this Amendment and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller hereby agree as follows:

1. Definitions. From and after the date hereof, all references to the "Agreement" in the Original Purchase Agreement shall mean the Original Purchase Agreement, as amended hereby.

2. Purchase Agreement. The following amendments are made to the Original Purchase Agreement:

a. Investigation Period. The Investigation Period shall expire

as of noon PST, on Wednesday, November 26, 1997.

b. Additional Deposits; Negotiation Period. The Additional Deposit shall be required to be made and delivered to Seller or Buyer (together with the Initial Deposit), and Escrow shall be canceled, as follows:

1. On or before the expiration of the Investigation Period (as amended pursuant to Section 2.a above), Buyer shall either cancel Escrow, or cause to be wired into Escrow (subject to later confirmation of receipt by Escrow Agent) the Additional Deposit (of \$500,000.00), in immediately available funds, to be held in Escrow with the Initial Deposit, pending cancellation of Escrow on or before the expiration of the Negotiation Period (as defined below), or release of the Deposit to Seller upon expiration of the Negotiation Period without cancellation of Escrow, in each case as described (and to the extent permitted) below. If Buyer shall timely deliver the Additional Deposit, then Buyer's right to make any further objections relating to the status or condition of the Property shall be waived, and Escrow shall remain open; provided, however, that Buyer and Seller shall, during the Negotiation Period (as defined below), negotiate in good faith to determine (as described below) the appropriate decrease in the Purchase Price, to be provided as a result of the HVAC Conditions. In furtherance thereof, Seller and Buyer acknowledge and agree (i) that a decrease in the Purchase Price (up to, but not to exceed the amount of the Maximum Adjustment, as defined below, and with the exact amount determined as described below), is appropriate as a result of the HVAC Conditions, (ii) to jointly inspect such system and (iii) to negotiate in good faith, during the Negotiation Period, to reach agreement as to an adjustment in the Purchase Price which Buyer and Seller in good faith determine, based upon such inspection, to be sufficient to remedy the reported HVAC Conditions; provided, however that (A) in no event shall such adjustment to the Purchase Price exceed One Hundred Fifty Thousand Dollars (\$150,000.00) (the "Maximum Adjustment"), and (B) Buyer shall be required to proceed to close Escrow notwithstanding that the amount required to remedy the HVAC Conditions is, or is agreed by Buyer and Seller to be, greater than the Maximum Adjustment amount, so long as the Purchase Price is decreased by One Hundred Fifty Thousand Dollars (\$150,000.00). In all events, Buyer shall be solely responsible for any costs related to the HVAC Conditions in excess of the agreed adjustment to the Purchase Price. As used herein, the "Negotiation Period" shall be the period commencing on the expiration of the Investigation Period and ending on the earlier of (A) the date of agreement by Buyer and Seller as to the appropriate adjustment in the Purchase Price, and (B) 5:00 P.M. on Wednesday, December 3, 1997 (the "Expiration Date").

2. If Buyer fails to timely make the Additional Deposit in accordance with section 2.b.1 above, or if Buyer and Seller are unable, prior to the Expiration Date and pursuant to the provisions of Section 2.b.1 above, to agree on a Purchase Price adjustment for the HVAC Conditions (with such agreement to be evidenced by joint Notice to Escrow Agent of the amount of such agreed-upon Purchase Price adjustment, which Notice shall be irrevocable upon delivery), then Escrow shall be deemed canceled, and Buyer's Initial Deposit and Additional Deposit, not only of fifty percent (50%) of Escrow and title fees, shall be immediately refunded by Escrow Agent to Buyer without further Notice or instruction from Buyer or Seller, and notwithstanding any contrary or inconsistent instruction from Seller; provided, however, that no such cancellation shall occur in any event if Seller provides Notice to Escrow Agent that it has agreed to the Maximum Adjustment in the Purchase Price as a result of the HVAC Conditions.

3. Unless Escrow is canceled pursuant to section 2.b.2 above, Escrow Agent is hereby irrevocably instructed to release the Deposit to Seller in immediately available funds within one (1) day after the expiration of the Negotiation Period.

4. Title and Survey Exceptions: Closing Date. The extension of the Investigation Period as described above, and Seller's agreement to allow a Negotiation Period, shall not extend the period for Buyer's objection to title matters or survey matters, which time period Buyer acknowledges has expired, or the Outside Closing Date.

5. Miscellaneous. Except to the extent the Original Purchase Agreement is amended hereby, all other terms and provisions of the Original Purchase Agreement shall remain in full force and effect. No amendments hereto shall be enforceable except if in writing and executed by each of the parties. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the date first set forth above.

"SELLER"

THE MUTUAL LIFE INSURANCE
COMPANY OF NEW YORK,
a New York mutual life insurance company

By:

Its:

"BUYER"

ARDEN REALTY LIMITED PARTNERSHIP,
a Maryland limited partnership

By: /s/ Richard S. Ziman

Its: Chief Executive Officer

"ESCROW AGENTS" The undersigned acknowledges receipt of this Amendment and agrees to act in accordance with all applicable provisions contained herein.

FIRST AMERICAN TITLE INSURANCE COMPANY,
a California corporation

By:
Its

Date:

ADDENDUM TO FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT AND
JOINT ESCROW INSTRUCTIONS

THIS ADDENDUM ("Addendum") TO FIRST AMENDMENT TO
PURCHASE AND SALE AGREEMENT AND JOINT ESCROW
INSTRUCTIONS dated November 26, 1997 (the
"Amendment") is made as of December 3, 1997, to be
attached to and made a part of the Amendment. All
defined terms have the meaning set forth in the Amendment.

Pursuant to Amendment Section 2.b(1), the
parties hereby agree, and instruct Escrow that, the
Purchase Price shall be reduced by Seventh-Five
Thousand Dollars (\$75,000) to Thirty
Million Seven Hundred Twenty-Five Thousand Dollars
(\$30,725,000).

IN WITNESS WHEREOF, the undersigned have executed this
Addendum as of the date first set forth above.

"SELLER"

THE MUTUAL LIFE INSURANCE
COMPANY OF NEW YORK,
A New York mutual life
insurance company

By: /s/ William Swackhamer
Its: Regional Vice President

"BUYER"

ARDEN REALTY LIMITED
PARTNERSHIP,
A Maryland Partnership

By: Arden Realty, Inc.
a Maryland corporation

By: /s/ Victor J. Coleman
Its: President & COO

"ESCROW AGENT" The undersigned acknowledges receipt
of this Addendum and agree to act in accordance with
all applicable provisions contained herein.

FIRST AMERICAN TITLE INSURANCE COMPANY,
a California corporation

By: /s/ Patricia Pewthers
Its: Senior
Escrow Officer

Date:

AGREEMENT TO ACQUIRE CERTAIN INTERESTS IN REAL PROPERTY

AND ESCROW INSTRUCTIONS

Among

11601 HOLDING CORP.;

FOREST CITY SAN VICENTE CORP.;

WILSHIRE SV ASSOCIATES

and

The Constituent Partners of Wilshire SV Associates

Owner

and

ARDEN REALTY LIMITED PARTNERSHIP

Acquirer

and

ARDEN REALTY, INC.

ARI

Covering

World Savings Building
11601 Wilshire Boulevard
Los Angeles, California

November 12, 199

AGREEMENT TO ACQUIRE CERTAIN INTERESTS IN REAL PROPERTY
AND ESCROW INSTRUCTIONS

THIS AGREEMENT TO ACQUIRE CERTAIN INTERESTS IN REAL PROPERTY AND ESCROW INSTRUCTIONS ("Agreement") is made and entered into this 12th day of November 1997 by and among ARDEN REALTY LIMITED PARTNERSHIP, a Maryland limited partnership ("Acquirer"), ARDEN REALTY, INC., a Maryland corporation ("ARI"), 11601 HOLDING CORP., a Delaware corporation ("Apollo"), FOREST CITY SAN VICENTE CORP., an Ohio corporation ("Forest City"), WILSHIRE SV ASSOCIATES, a California limited partnership and the constituent partners of WILSHIRE SV ASSOCIATES (collectively, "Wilstein"). Apollo, Forest City and Wilstein are sometimes hereinafter collectively referred to as "Owner."

A. At the Closing (as hereinafter described) Apollo, Forest City and Wilstein will be the owner, as tenants in common, of a leasehold estate covering that certain parcel of real property (the "Real Property") and the owner of the improvements thereon which, for informational purposes only, are a 25-story office building containing approximately 469,115 rentable square feet, other facilities, fixtures, paving and surfacing thereon or associated therewith, with a separate eight level automobile parking structure with a total of approximately 1,000 marked parking spaces (collectively, the "Improvements"). The Real Property and Improvements are located at 11601 Wilshire Boulevard, Los Angeles, California, and more particularly described in Exhibit "A" attached hereto and forming a part hereof. The entity and undivided ownership interest of Apollo, Wilstein and Forest City, as tenants in common, either directly or through constituent entities, are, or as of the Closing will be, Apollo as to 50%, Wilstein as to 25% and Forest City as to 25%. The undivided tenancy in common interests are each sometimes hereinafter individually referred to as a "TIC Interest" and all are sometimes hereinafter collectively referred to as the "TIC Interests". As used herein, the term "Percentage Interest" as to each of Apollo, Wilstein and Forest City means such party's percentage interest as set forth in this paragraph.

B. Wilstein desires to contribute its TIC Interest to Acquirer in exchange for cash and limited partnership interests ("OP Units") in Acquirer, and Apollo desires to

merge its entity into ARDEN REALTY, INC., the general partner of Acquirer ("ARI") in exchange for ARI common stock, and Acquirer desires to acquire, all of their respective TIC Interests in the real and personal property located at or forming part of the Real Property, the Improvements, and all appurtenant easements and rights, and the Personal Property (as hereinafter defined) on the terms, covenants and conditions hereinafter set forth.

C. Forest City desires to hold its TIC Interest following the Closing as a tenant in common with Acquirer, and Acquirer acknowledges that it will be a tenant in common with Forest City following Acquirer's acquisition of the TIC Interests of Apollo and Wilstein at the Closing.

D. As of the date hereof, all of the TIC Interests in the real property are subject to a first trust deed loan with Swiss Bank Corporation ("Existing Loan"), with the ability to repay the same in full on or before December 15, 1997, in the discounted amount of \$77,000,000 ("Pay-Off Amount") reduced by \$1,000,000 which has already been paid by Owner leaving a remaining amount to be paid of \$76,000,000 ("Remaining Pay-Off Amount"). After the Closing (as hereinafter defined), Acquirer shall cause the Existing Loan to be replaced by a new nonrecourse first trust deed loan(s) complying in all respects with the requirements of paragraphs 2.2, 2.3 and 2.4 below ("New Loan").

NOW, THEREFORE, with reference to the foregoing recitals and in reliance thereon and in consideration of the purchase price hereinbelow set forth, and the other terms, covenants and conditions set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is mutually covenanted and agreed by Owner and Acquirer as follows:

1. Acquisition. Subject to all of the terms and conditions of this Agreement and for the consideration set forth, on Closing (as hereinafter defined), Apollo, Wilstein and Forest City individually and collectively agree as follows:

1.1 Apollo. Apollo shall merge into ARI and ARI shall issue to the merged entity's shareholders, ARI common stock and thereby acquire all of Apollo's right, title and interest in and to the Property (hereinafter described) (the "Merger") in the manner provided in that certain Merger Agreement ("Merger Agreement") attached hereto as Exhibit "N" and made a part hereof.

1.2 Wilstein. Wilstein shall contribute and convey

or cause to be conveyed to Acquirer all of Wilstein's right, title and interest in the Property in exchange for OP Units and cash of Acquirer (the "Contribution") in the manner provided in that certain Contribution Agreement ("Contribution Agreement") attached hereto as Exhibit "K" and made a part hereof.

1.3 Forest City. Forest City shall enter into a Tenancy in Common Agreement (the "TIC Agreement") setting forth the respective rights and obligations of Forest City and Acquirer as tenants in common with respect to the Property following the Closing in the form and substance of Exhibit "M" attached hereto and made a part hereof.

1.4 The Property. The Property shall consist of all of the interests of Apollo, Wilstein and Forest City and shall constitute all of the ownership interests in the following:

(a) That certain leasehold estate ("Leasehold Estate") in the Real Property more particularly described in Exhibit "A" which, as a condition to Closing will be subject only to such easements, agreements and exceptions as may have been approved or deemed approved by Acquirer in accordance with Paragraph 4(a) hereof and the tenancies and occupancies that are set forth on Exhibit "B" or which are approved hereafter as herein provided;

(b) The interests of the Owner in the Improvements, together with all easements and appurtenances thereto;

(c) All of the personal property of Owner (the "Personal Property") located at, attached or appurtenant to, or used in connection with the operation or maintenance of the Real Property and/or the Improvements (the "Inventory");

(d) All leases to tenants leasing space in the Improvements (the "Tenant Leases");

(e) To the extent assignable, those certain service and other agreements more particularly described in Exhibit "C" attached hereto and made a part hereof; and

(f) All other right, title and interest of Owner in and to trade names, logos, easements, licenses, permits, air rights, certificates of occupancy, warranties, rights-of-way, signs, trademarks, telephone listings and numbers, sewer agreements, water line agreements, utility agreements, water rights and oil, gas and mineral rights (collectively, the "Intangibles") to the extent assignable or transferable. Reference herein to the "Property" shall

include all of the real, personal and intangible property described in subparagraphs (a) through (f) hereof.

2. Valuation and Payment or Exchange. Owner and Acquirer have agreed that the value of the Property is the sum of One Hundred Ten Million Six Hundred Thousand and No/100 Dollars (\$110,600,000) ("Valuation") and Acquirer will exchange with Apollo and Wilstein for all of their TIC Interests in the Property (75%) based upon \$83,100,000 of the Valuation, and accept Forest City as a tenant in common and owner of an undivided twenty-five (25%) interest in the Property, subject to the terms of the TIC Agreement.

2.1 Deposit.

(a) Upon the opening of Escrow (as hereinafter set forth) Acquirer shall deliver to Escrow Agent (as hereinafter defined) cash in the sum of Five Hundred Thousand and No/100 Dollars (\$500,000.00), ("Initial Deposit") which shall be held by Escrow Agent as security for the full performance by Acquirer of its obligations hereunder and on account of its obligations at Closing, subject to the following terms and conditions:

(i) If Acquirer elects to continue with its acquisition of the Property pursuant to this Agreement after the Approval Period or the Extended Approval Period, as the case may be, (as hereinafter defined), Acquirer shall increase the Initial Deposit prior to the Approval Date or the Extended Approval Date, as the case may be, by cash in the amount of Two Million Dollars (\$2,000,000) for a total of \$2,500,000 (which sum, together with any interest earned thereon and additions thereto, are herein collectively called the "Deposit") and such Deposit shall become non-refundable subject to the remaining conditions to Closing;

(ii) If Closing occurs, then the Deposit shall be refunded;

(iii) If Closing does not occur and Owner shall be entitled to liquidated damages as provided in Paragraph 10(b) hereof, Owner shall be entitled to the Deposit; and

(iv) If the Closing does not occur and Acquirer shall be entitled to the return of the Deposit as provided in this Agreement, the same shall be returned to Acquirer.

(b) The Deposit shall be at all times invested by Escrow Agent in the following investments ("Approved Investments"): (i) United States Treasury obligations, (ii)

United States Treasury-backed repurchase agreements issued by a major money center banking institution reasonably acceptable to Owner, (iii) Certificates of Deposit or Money Market Accounts of institutions whose deposits are insured by the FDIC or (iv) such other manner as may be reasonably agreed to by Owner and Acquirer. The Deposit shall be disposed of by Escrow Agent only as provided in this Agreement.

2.2 Contribution. Wilstein shall contribute its TIC Interest to Acquirer and become an additional limited partner in Acquirer at Closing. The TIC Interest of Wilstein (the "Contribution Interest") shall be contributed to the capital of Acquirer subject to Wilstein's Percentage Interest of the Remaining Pay-Off Amount of the Existing Loan (it being understood and agreed that Acquirer shall replace after Closing the Existing Loan with the New Loan in an amount at least equal to \$60,000,000 and containing terms and provisions no more materially onerous than the Existing Loan). At Closing, and in consideration for the Contribution, Wilstein shall receive limited partnership interests in Acquirer ("OP Units") and cash in an aggregate amount equal to the "Contribution Value". As used herein, "Contribution Value" means the amount by which Twenty-Eight Million Seven Hundred Seventy Thousand and No/100 Dollars (\$28,770,000) (the "Wilstein Share") exceeds an amount equal to (i) an amount equal to Wilstein's Percentage Interest of the Remaining Pay-Off Amount, plus (or minus) (ii) an amount equal to Wilstein's Percentage Interest of the net amount of all costs, expenses, adjustments and prorations to be credited (or debited) to Acquirer pursuant to this Agreement. For purposes of determining the number of OP Units to be issued to Wilstein, each OP Unit shall have a deemed value equal to the value of one (1) share of ARI common stock as of the date which is five (5) business days prior to Closing. The Contribution shall be consummated pursuant to the terms of that certain Contribution Agreement in the form of Exhibit "K" attached hereto and made a part hereof. Notwithstanding anything to the contrary contained in this paragraph 2.2, if at the Effective Date both the Contribution Agreement and the Amendment to Limited Partner's Agreement have not been attached hereto as Exhibits "K" and "L," respectively, the parties agree that unless on or before November 17, 1997 the same shall be initialed by Acquirer and Wilstein and attached hereto, then either Acquirer or Wilstein shall have the right to terminate this Agreement. Any such termination shall be exercised, if at all, by the electing party giving written notice thereof to all parties hereto, whereupon this Agreement shall terminate. The OP Units issued to Wilstein thereby may be redeemed or exchanged only in accordance with

that certain Amendment to Limited Partnership Agreement, in the form attached hereto as Exhibit "L".

2.3 Merger. Apollo shall merge into ARI and ARI shall issue to the merged entity's shareholders, ARI common stock in exchange pursuant to a tax-free reorganization qualifying under the Internal Revenue Code, as amended. The value of the Apollo TIC Interest so merged shall be subject to the Apollo Percentage Interest of the Remaining Pay-Off Amount (it being understood and agreed that Acquirer shall replace after Closing the Existing Loan with the New Loan in an amount at least equal to \$60,000,000). At the Closing and consummation of the merger, the Apollo shareholders shall receive ARI Common Stock in an amount equal to the "Merged Value". As used herein, "Merged Value" means the amount by which Fifty-Four Million Three Hundred Thirty Thousand and No/100 Dollars (\$54,330,000) (the "Apollo Share") exceeds an amount equal to (i) Apollo's Percentage Interest of the Remaining Pay-Off Amount, plus (or minus) (ii) an amount equal to Apollo's Percentage Interest of the net amount of all costs, expenses, adjustments and prorations to be credited (or debited) to Acquirer pursuant to this Agreement. Each share of ARI Common Stock shall have a value equal to its closing price five (5) business days prior to the Closing. The Merger shall be consummated pursuant to the terms of that certain Merger Agreement in the form of Exhibit "N" attached hereto and made a part hereof and the Investor Questionnaire in the form of Exhibit "O" attached hereto and made a part hereof. Notwithstanding anything to the contrary contained in this paragraph 2.3, if at the Effective Date the Merger Agreement has not been attached hereto as Exhibit "N", the parties agree that unless on or before November 17, 1997 (a) the same shall be initialled by Acquirer and Apollo and attached hereto or (b) Apollo shall elect in writing to sell for cash its TIC Interest in the Property based upon a sale price equal to the amount by which Fifty-Four Million Three Hundred Thirty Thousand and No/100 Dollars (\$54,330,000) exceeds an amount equal to (i) Apollo's Percentage Interest of the Remaining Pay-Off Amount, plus (or minus) (ii) an amount equal to Apollo's Percentage Interest applied to the net amount of all costs, expenses, adjustments and proration to be credited (or debited) to Acquirer pursuant to this Agreement, then either Acquirer or Apollo shall have the right to terminate this Agreement. Any such termination shall be exercised, if at all, by the electing party giving written notice thereof to all parties hereto, whereupon this Agreement shall terminate.

2.4 Tenant in Common. Forest City shall hold its TIC Interest subject to an amount of the New Loan which

shall be nonrecourse and in an amount equal to its share (for its tax basis purposes) of the Remaining Pay-Off Amount. Forest City agrees to (a) enter into a nonrecourse promissory note in that amount and secured by its TIC Interest, and to execute any collateral agreements or documents that are reasonably necessary or customarily appropriate in connection with such portion of the New Loan in form and substance reasonably acceptable to Forest City and (b) enter into that certain Tenancy In Common Agreement in the form of Exhibit "M" attached hereto and made a part hereof. Notwithstanding anything to the contrary contained in this paragraph 2.4, (a) if at the Effective Date the Tenancy In Common Agreement has not been attached hereto as Exhibit "M", the parties agree that unless on or before November 17, 1997 the same shall be initialed by Acquirer and Forest City and attached hereto or (b) if on or before November 28, 1997 Acquirer has not provided Forest City with evidence of the commitment of the lender to make the New Loan, then either Acquirer or Forest City shall have the right to terminate this Agreement. Any such termination shall be exercised, if at all, by the electing party giving written notice thereof to all parties hereto, whereupon this Agreement shall terminate.

3. Escrow.

(a) Opening of Escrow. As soon as commercially reasonable after their complete execution of this Agreement ("Effective Date") and in any event not later than three (3) business days thereafter, Owner and Acquirer shall open an escrow (the "Escrow") with Chicago Title Insurance Company, 700 South Flower Street, Suite 900, Los Angeles, California, 90017, Attention: Rose Martinez ("Escrow Agent"), through which the purchase and sale of the Property shall be consummated. A fully executed copy of this Agreement shall be deposited with Escrow Agent, duly executed by Owner, Acquirer and Escrow Agent, to serve as Escrow instructions to Escrow Agent, and Escrow Agent shall be and is hereby authorized and instructed to deliver pursuant to the terms of this Agreement the documents and monies to be deposited into the Escrow. Escrow Agent may attach to this Agreement Escrow Agent's standard form escrow agreement, to the extent that the same is consistent with the terms hereof, and are reasonably approved by Owner and Acquirer. Escrow Agent shall immediately, upon receipt of such duly executed copy of this Agreement, notify Owner and Acquirer of the opening of Escrow. Should either party fail to open Escrow in accordance with the provisions of this Paragraph 3(a), such failure shall constitute a material breach of this Agreement.

(b) Closing of Escrow. Escrow shall close ten (10) business days following the Approval Date, but subject to Owner's right to extend as hereinafter provided, in all events not later than December 2, 1997, provided the Ground Lessor Consent and Estoppels and the Tenant Estoppels satisfying the requirements of paragraph 8(b) hereof have been received and all other Acquirer's Conditions Precedent to Closing as set forth in Paragraph 8 hereof and the Conditions Precedent to Owner's Obligation to Close Escrow (set forth in Paragraph 9 below) have been satisfied. Notwithstanding the foregoing, any Owner (with the written consent of each other Owner) shall have the right to extend the Closing, subject to obtaining an extension of the Remaining Pay-Off Amount for the same extension period, for a period not to extend beyond January 7, 1998, by giving written notice thereof to Acquirer on or before November 28, 1997. The term "Closing" as used herein shall be deemed to be the date upon which the respective Conditions Precedent to Acquirer's Obligation to Close Escrow (set forth in Paragraph 8 below) and the Conditions Precedent to Owner's Obligation to Close Escrow (set forth in Paragraph 9 below) have been satisfied, the Assignment of Leasehold and Grant to the Improvements ("Assignment of Leasehold" herein) hereinafter referred to is recorded in the office of the County Recorder of Los Angeles County and the net proceeds (in cash and OP Units) required to close are held by Escrow Agent for disbursement to Owner. If the Closing as provided herein does not occur, this Agreement and the Escrow shall be cancelled and terminated and thereafter neither party shall have any further obligation or liability to the other party, except as expressly set forth in this Agreement.

4. Title Matters.

(a) Title Report.

(i) Owner has caused to be delivered to Acquirer a CLTA Preliminary Title Report covering the Real Property and the Improvements, which states that it is subject to any matter that would be disclosed by a survey (the "Preliminary Title Report"), issued by Chicago Title Insurance Company ("Title Company"), together with copies of all documents evidencing matters of record shown as exceptions to title thereon. If Acquirer shall desire an updated ALTA Survey of the Real Property and Improvements ("Survey"), Acquirer shall cause the same to be so made at Acquirer's sole cost and expense before the Approval Date (and upon receipt shall deliver a copy of the Survey to Owner). Acquirer shall have the right to object to any exceptions contained in the Preliminary Title Report or the Survey by giving notice to Owner before the Approval Date.

Notwithstanding any of the foregoing, Owner shall at Closing (but shall not be obligated prior thereto) remove of record all tax and mechanic's liens (except only for the liens of the taxes and assessments to be prorated under Paragraph 12(a)(ii)), at its sole cost and expense. Unless Acquirer gives written notice that it disapproves any such additional exceptions to title matters, stating the exceptions so disapproved, before the Approval Date, Acquirer shall be deemed to have approved said exceptions. Acquirer's approval of the Preliminary Title Report shall be without prejudice to Acquirer's right to disapprove additional survey matters or any supplementary reports issued by Title Company or disclosed after the Approval Date; provided, however, Acquirer's approval shall not be unreasonably withheld, and, as to survey matters, shall only be applicable if Acquirer shall have obtained the updated Survey before the Approval Date. If for any reason, on or before the Closing Date Owner does not cause such exceptions to title or survey matters which Acquirer timely disapproves (to the extent Acquirer is permitted hereunder to so disapprove) to be removed at no cost or expense to Acquirer (Owner having the right but not the obligation to do so), the obligation of Apollo and Wilstein to transfer (and Forest City to enter into the TIC Agreement) and Acquirer to acquire the Property as herein provided shall terminate (and Owner and Acquirer shall have no further obligations in connection herewith). Acquirer shall have the option to waive the condition precedent set forth in this paragraph 4(a) by notice to Owner. In the event of such waiver, such condition shall be deemed satisfied. All matters set forth on the Preliminary Title Report, the updated Survey obtained by Acquirer which are not timely objected to by Acquirer shall be permitted exceptions to title and shall additionally include (i) any title or survey matters objected to by Acquirer, which objections are subsequently waived in writing by Acquirer, and (ii) any title or survey matters objected to by Acquirer in accordance with the terms and provisions of this Agreement, which objections are cured to Acquirer's satisfaction, (iii) real estate taxes and assessments not yet due and payable; and (iv) the printed exceptions which appear in the standard form ALTA owner's policy of title insurance (with extended coverage).

(ii) If at the date of Closing there are any liens or encumbrances that Owner is obligated to pay and discharge, Escrow Agent may use any portion of the net proceeds of the Escrow to satisfy the same (if the same are not bonded-over or otherwise satisfied by title endorsement), provided Owner shall simultaneously either deliver to Escrow Agent at Closing title instruments in recordable form sufficient to satisfy such liens and encumbrances of record,

together with the cost of recording or filing said instruments or appropriate pay off letters or instructions.

(b) Title Policy. The Title Policy shall be Chicago Title Company's ALTA Owner's policy with liability in the amount of \$83,100,000, showing the Apollo and Wilstein TIC Interests (i) in the Leasehold Estate in Real Property and (ii) in the fee title to the Improvements in each instance, as vested in Acquirer, subject only to the permitted exceptions specified in Paragraph 4(a) above.

5. Delivery of Information.

(a) Owner has previously delivered or has caused to be delivered to Acquirer or made available to Acquirer at the Property to the extent they are in Owner's possession or under its control, and Acquirer has reviewed and approved (except the environmental materials) the following:

(i) Complete copies of all of the leases constituting the Leasehold Estate and all amendments thereto;

(ii) Complete copies of all of the Tenant Leases and all amendments thereto, a schedule of which is attached hereto as Exhibit "B" and forms a part hereof;

(iii) The loss history of the Property pertaining to any property damage or personal injury suffered for which an insurance claim of more than Fifty Thousand Dollars (\$50,000) was submitted by Owner at any time after January 1, 1995 to the extent available to Owner;

(iv) A set of any "as built" plans, specifications and structural drawings with respect to the Building shell and any third-party soil, geological, seismic, environmental and hazardous materials and asbestos studies or reports, relating to the Improvements or the subsurface conditions, grading plans, water table or other matters bearing upon condition of the Property;

(v) A copy of all documents and instruments evidencing, securing and pertaining to the existing first trust deed loan covering the Property;

(vi) All electricity and property tax bills for the period beginning January 1, 1995 to the extent available to Owner;

(vii) Statements of income and expense for the Property for all calendar years beginning 1995 and for

the current year to date to the extent available to Owner;

(viii) All warranties and operating manuals that Owner may have from vendors, contractors or servicing agents with respect to the physical condition of the Improvements, the Property or any portion thereof or the equipment located therein;

(ix) Complete copies of all service and other contracts pertaining to the Property (including, but not limited to, HVAC, elevator, landscape, management, leasing brokerage and parking) in respect to which Owner is obligated and which are intended to survive Closing hereunder (the "Service Contracts"); and

(x) A list of all personal property (including supplies) owned or leased by Owner and used in connection with the operation, maintenance and repair of the Property.

(b) As of the Effective Date, Acquirer has approved all of the matters and things set forth in paragraph 5(a) except the environmental studies and its own environmental investigations. Acquirer shall have until 5:00 P.M. Los Angeles time on November 14, 1997 (the "Approval Date") in which to approve or disapprove all of the other matters and things that are subject to Acquirer's rights of review, inspection and approval hereunder; provided, however, if on the Approval Date Acquirer has not received (at least three (3) days prior thereto) its written environmental report concerning the Property, Acquirer shall have the right, by written notice to Owner prior to the Approval Date, to extend the Approval Date ("Extended Approval Date") only as to the environmental matters (the reports of which it has not timely received) to the date which is three (3) business days after the receipt of the same but not later than November 28, 1997. Acquirer's failure either to approve or disapprove the Property before the expiration of the Approval Date, as the same may be extended as to the environmental matters shall be deemed its approval thereof. If Acquirer disapproves any of said information, Acquirer shall notify Owner in writing thereof within the time period specified above whereupon, this Agreement shall terminate.

(c) At Acquirer's request at any time from and after the date hereof until the date that is one (1) year after the Closing Date, Owner shall, at Acquirer's expense, provide to Acquirer's designated independent auditor, Ernst & Young, reasonable access to the books and records of the Property, regarding the period for which Acquirer is required to have audited financial statements prepared with respect to the Property as may be required by the Securities

and Exchange Commission, but only to the extent that such books, records and related information are in Owner's possession or control and relate to the period during which Owner held title to the Property.

(d) Acquirer has delivered to Wilstein copies of all recent audited and unaudited financial statements of and filings with the S.E.C. by Acquirer and ARI for its review.

6. Inspections and Approval by Acquirer.

(a) Acquirer has approved the matters referred to in subparagraphs (b) and (c) below, subject to such additional testing as may be necessary to complete its environmental investigation of the Property.

(b) Notwithstanding subparagraph (a) to the contrary, from and after the date hereof, Acquirer and its agents, employees and contractors shall be afforded reasonable access to the Property during normal business hours and upon twenty-four (24) hours prior notice, subject to the rights of tenants in possession. Owner shall reasonably cooperate to assist Acquirer. However, Acquirer agrees not to contact any of Owner's tenants without Owner's prior consent and to hold Owner harmless from and against any loss, cost, damage, claim or expense suffered by Owner or the Property and caused by Acquirer's investigations (the foregoing obligation surviving any termination of this Agreement). In no event shall Acquirer make any intrusive physical testing (environmental, structural or otherwise) at the Property (such as soil borings or the like) without Owner's prior consent. Acquirer shall promptly restore the Property to its condition immediately prior to such investigations. In addition, Acquirer agrees not to unreasonably interfere with the use and enjoyment of the Property by Owner, its agents, representatives, employees or any tenants or other occupants. Owner shall have the right, at its option, to cause a representative of Owner to be present at all inspections, reviews and examinations conducted hereunder. At the request of Owner, Acquirer shall promptly deliver to Owner true, accurate and complete copies of any written reports relating to the Property prepared for or on behalf of Acquirer by any third party and, in the event of termination hereunder, shall return all documents and other materials furnished to or on behalf of Acquirer by Owner hereunder. Acquirer shall keep all information or data received or discovered in connection with any of the inspections, reviews or examinations strictly confidential; provided, however, that Acquirer shall be entitled to disclose such information to Acquirer's attorneys, consultants, accountants and prospective debt and

equity financing sources who reasonably need to be informed in connection with Acquirer's determinations hereunder (who shall, in turn, be required to keep such information confidential). Acquirer acknowledges that any and all such information shall be utilized solely for the purpose of assisting Acquirer in its determination of whether or not to purchase the Property hereunder (and for no other purpose). The parties acknowledge that the amount of damages that Owner would suffer by reason of a breach of the confidentiality provisions hereunder or under Paragraph 16(k) hereof would be extremely difficult, if not impossible, to determine and that, in addition to any and all other rights or remedies which may be available to Owner, Owner may pursue an action for injunctive relief in connection therewith.

(c) From and after the date hereof until Closing, Acquirer and its agents shall be afforded reasonable opportunity by Owner during normal business hours and upon twenty-four (24) hours prior notice to examine all operating books and records that directly relate to the Property (including all specifications and as-built drawings to the extent they are in Owner's possession), all building permits, certificates of occupancy, third party soil and engineers' reports and studies, and similar information relating to the Property or its management, operation, maintenance or use, and all warranties and operating manuals that Owner may have from vendors, contractors or servicing agents with respect to the physical condition of the Property or any portion thereof or the equipment located thereon.

7. Operation of Property Pending Closing.

(a) Tenant Leases. Owner has leased portions of the Property to various occupancy tenants. From and after the date of execution of this Agreement and until the Closing Date Owner shall not enter into any new leases or amend or extend, terminate or accept the surrender of any existing tenancies or approve any subleases without the prior written consent of Acquirer (which consent shall not be unreasonably delayed or withheld). In requesting such consent, Owner shall inform Acquirer in writing of the amount, if any, proposed to be required to pay for, or any allowance proposed to be given for, tenant improvement work, any leasing commissions and fees, in connection with such lease and any rent concessions. Also included in the request for consent, shall be Owner's proposed draft of the lease or amendment agreement. The failure of Acquirer to respond within five (5) business days after written request for any such approval shall be deemed to constitute

approval. Owner shall not collect in advance any rent or other sum due under any of the Tenant Leases, except for collection of current rents no more than one month in advance.

(b) Leasing Commissions; Tenant Improvements and Rent Concessions. Owner covenants and agrees to be responsible for all leasing commissions, tenant improvement costs and legal fees with respect to any leases (including amendments and renewals) entered into on or before the Effective Date. Owner represents that as of the Effective Date there are no pending lease transactions to which Acquirer will be subject which Acquirer has not approved in writing. Acquirer covenants and agrees to be responsible for all leasing commissions, tenant improvement costs, legal fees and unamortized rent concessions with respect to any new leases, extensions of or options under existing leases and renewals occurring after the Effective Date, provided that (i) with respect to matters occurring prior to Closing, Acquirer has approved or is deemed to have approved such action or event by Owner, to the extent Acquirer is entitled to approve hereunder and (ii) Owner has delivered to Acquirer copies of the proposed lease and other agreements with respect thereto and to which any brokerage commissions are payable. Failing such delivery, if applicable, and approval (or deemed approval), Owner shall remain responsible for all of costs and expenses including commissions.

(c) Insurance Policies. Owner shall keep all of the insurance policies covering the Property (or substantially equivalent coverage) in full force and effect between the date of this Agreement and Closing (the "Insurance Policies").

(d) Service Contracts. Owner shall have the right to renew or replace Service Contracts that expire prior to Closing or to enter into new Service Contracts for emergency purposes if deemed reasonably necessary by Owner for any term provided that such Service Contracts are terminable by Owner or its successors in interest upon not more than thirty (30) days' notice to the service provider.

(e) Property Management. Owner shall maintain the Property in the same manner as prior hereto pursuant to its normal course of business (such maintenance obligations not including extraordinary capital expenditures or expenditures not incurred in such normal course of business), subject to reasonable wear and tear and further subject to destruction by casualty or other events beyond the reasonable control of Owner.

8. Conditions Precedent to Acquirer's Obligation to Close Escrow. The obligation of Acquirer to consummate the transactions contemplated hereby is subject to the following conditions, inserted for Acquirer's sole benefit and that may be waived by Acquirer only in writing at its sole option. Said conditions are as follows:

(a) Representations and Warranties True at Closing. The representations and warranties of Owner contained in Paragraph 13 of this Agreement shall be true on the date of Closing in all material respects as though such representations and warranties were made on and as of such date.

(b) Delivery of Estoppels. Owner shall have delivered to Acquirer (i) estoppel letters (the "Tenant Estoppels") from tenants representing 85% of the leased area and from all tenants leasing more than 3,500 square feet in the Improvements in substantially the form of Exhibit "D-1" attached hereto and forming a part hereof or substantially in the form prescribed in the applicable lease (it being understood and acknowledged by Acquirer that paragraph 6 and paragraph 10 (as it relates to requiring the tenant to give notice to Acquirer's lenders) in Exhibit "D-1" is optional and not a requirement in any tenant's lease), consistent in all material respects with the information to be provided by Owner hereunder and certifying inter alia to the effect that there are no defaults by landlord under the lease known to tenant thereunder; that such lease is unmodified except as may be set forth therein and in full force and effect; that there are no defenses or offsets against the landlord known to tenant thereunder; and that rental is current and has not been paid more than one month in advance and (ii) estoppel letters ("Ground Lease Estoppels") from each of the lessors (fee owners) under the Leasehold Estate consenting to the proposed transaction contemplated by this Agreement, if required, and otherwise substantially in the form of Exhibits "D-2A" and "D-2B", respectively, attached hereto and forming a part hereof, conforming in all material respects with the information produced by Owner herewith. Owner can satisfy the Tenant Estoppel condition of this paragraph and Acquirer will accept Tenant Estoppel Certificates executed by Owner if executed and delivered, in substantially the form attached as Exhibit "D-1" and conforming to the rent roll provided by Owner, as to each tenant required to meet either the 85% or 3,500 square feet threshold. If Owner notifies Acquirer that it is unable to secure an estoppel with respect to the Gorfain Lease, Acquirer shall have two (2) business day thereafter to either (i) waive the condition or (ii) terminate this Agreement for failure of such condition.

(c) Compliance with This Agreement. Owner shall have performed and complied with in all material respects all agreements and conditions required by this Agreement to be performed or complied with by it on or prior to Closing.

(d) Title Policy. Title Company shall be ready, willing and able to issue the Title Policy required by Paragraph 4(b).

(e) Change in Condition. Subject to the provisions of Paragraphs 15(b) and 15(c) hereof, there shall exist no damage, destruction or condemnation of the Property prior to Closing.

9. Conditions Precedent to Owner's Obligation to Close Escrow. The obligation of Owner to consummate the transactions contemplated hereby is subject to the following conditions, inserted for Owner's sole benefit and that may be waived solely by Owner only in writing at its sole option. Said conditions are as follows:

(a) Representations and Warranties True at Closing. The representations and warranties of Acquirer contained in this Agreement, or in any certificate or document signed by Acquirer pursuant to the provisions hereof, shall be true on and as of Closing in all material respects as though such representations and warranties were made on and as of such date.

(b) Delivery of Net Proceeds and Documents. Acquirer shall have delivered all funds and documents to Escrow Holder required by it hereunder to enable it to close the Escrow.

(c) Compliance with This Agreement. Acquirer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it on or prior to Closing.

(d) Consent of World Savings. World Savings, the lessor under the ground lease, shall have given its consent in writing to the proposed conveyance of the leasehold estate to Acquirer in accordance with the terms of this Agreement.

10. Remedy of Acquirer and Owner Upon Default.

(a) Remedies of Acquirer. In the event that Owner fails to keep and perform each and every obligation, covenant and agreement herein by Owner to be kept or per

formed, then Acquirer may pursue an action against Owner and the Property for specific performance and/or damages but agrees that it shall have no right to seek or obtain consequential or punitive damages resulting from a breach of Apollo's and/or Wilstein's agreements to convey their TIC Interests in the Property or Forest City's breach of its agreement to enter in the TIC Agreement. Notwithstanding the foregoing, Acquirer's right to file an action for specific performance against Owner, or any of the them, (i) shall be limited to the period of thirty (30) days following notice by Acquirer to Owner setting forth the obligation, covenant or agreement which Owner has failed to keep or perform and (ii) shall require evidence of Acquirer's ability to perform all of the obligations of Acquirer then capable of being performed at the point in time of Owner's breach or default.

(b) Remedy of Owner. THE PARTIES HERETO, BEFORE ENTERING INTO THIS TRANSACTION, HAVE BEEN CONCERNED WITH THE FACT THAT SUBSTANTIAL DAMAGES WILL BE SUFFERED BY OWNER IF ACQUIRER SHOULD WRONGFULLY FAIL TO PURCHASE THE PROPERTY. WITH THE FLUCTUATION IN VALUE OF REAL PROPERTY, THE CURRENT AND HIGHLY UNPREDICTABLE STATE OF THE ECONOMY, THE FLUCTUATING MONEY MARKET FOR REAL ESTATE LOANS OF ALL TYPES, AND OTHER FACTORS THAT DIRECTLY AFFECT THE VALUE AND MARKET ABILITY OF THE PROPERTY, IT IS REALIZED BY THE PARTIES THAT IT WOULD BE EXTREMELY DIFFICULT AND IMPRACTICABLE, IF NOT IMPOSSIBLE, TO ASCERTAIN WITH ANY DEGREE OF CERTAINTY PRIOR TO SIGNING THIS AGREEMENT THE AMOUNT OF DAMAGES THAT WOULD BE SUFFERED BY OWNER IN THE EVENT OF ACQUIRER'S WRONGFUL FAILURE TO PURCHASE THE PROPERTY. THE PARTIES, HAVING MADE DILIGENT BUT UNSUCCESSFUL ATTEMPTS TO ASCERTAIN THE ACTUAL COMPENSATORY DAMAGES OWNER WOULD SUFFER IN THE EVENT OF ACQUIRER'S WRONGFUL FAILURE TO PURCHASE THE PROPERTY, HEREBY AGREE THAT THE REASONABLE ESTIMATE OF SAID DAMAGES IS AN AMOUNT EQUAL TO THE DEPOSIT; AND IN THE EVENT OF ACQUIRER'S WRONGFUL FAILURE TO PURCHASE THE PROPERTY, OWNER SHALL BE ENTITLED TO SUCH AMOUNT AS FULL LIQUIDATED DAMAGES, AND THAT PAYMENT OR TENDER TO OWNER BY ACQUIRER OF SUCH AMOUNT SHALL TERMINATE ALL OF OWNER'S RIGHTS AND REMEDIES AT LAW OR IN EQUITY AGAINST ACQUIRER WITH RESPECT TO SUCH FAILURE TO PERFORM. NOTWITHSTANDING THE FOREGOING, NOTHING CONTAINED HEREIN SHALL LIMIT OWNER'S RIGHTS OR REMEDIES IN THE EVENT OF A BREACH BY ACQUIRER OF THE CONFIDENTIALITY PROVISIONS SET FORTH IN PARAGRAPHS 6(a) and 16(k) HEREOF.

/s/ DW	/s/ RLJ	/s/ AC	/s/ DLR	/s/ VJC
Wilsteins's	Apollo's	Forest City's	Acquirer's	
Initials	Initials	Initials	Initials	

(c) Notwithstanding anything to the contrary contained herein, the (i) liability of Apollo, Wilstein and Forest City under this Agreement shall be several both as to amounts and remedies, (ii) the aggregate liability of Owner arising pursuant to or in connection with the representations, warranties, indemnifications, covenants or other obligations (whether express or implied) of Owner under this Agreement or any document executed or delivered in connection herewith (except the Merger Agreement) or otherwise related to or connected with the Property shall not exceed \$2,000,000 (i.e., the maximum exposure of Apollo will be \$1,000,000 and the maximum exposure of each of Forest City and Wilstein will be \$500,000); provided, however, no such limitation shall exist with respect to Apollo only for the matters covered by the Merger Agreement.

11. Closing Procedure.

(a) At least one business day prior to the date of Closing, Acquirer shall have delivered to Escrow Agent counterpart executed originals, and acknowledged as required, of the following documents and the following sums of money required to be delivered by Acquirer hereunder:

(i) The cash amounts necessary to fulfill its requirements set forth in Paragraph 2;

(ii) Such funds as may be necessary to comply with Acquirer's obligations hereunder regarding prorations, costs and expenses;

(iii) A signed counterpart of the Assignment of Leasehold and Grant to the Improvements and notarized for recordation ("Assignment of Leasehold") in the form of Exhibit "E" attached hereto and forming a part hereof;

(iv) A Preliminary Change of Ownership Report for delivery with the Assignment of Leasehold;

(v) A signed counterpart of the Assignment of Leases and Security Deposits (the "Assignment of Leases") substantially in the form and substance of Exhibit "G" attached hereto and forming a part hereof and a signed counterpart of the Assignment of Service and Miscellaneous Rights and Agreements (the "Assignment of Service Contracts") substantially in the form and substance of Exhibit "H" attached hereto and forming a part hereof;

(vi) A signed counterpart of the Contribution Agreement executed by Wilstein in the form of Exhibit "K"

attached hereto and made a part hereof;

(vii) A signed counterpart of the Amendment to Agreement of Limited Partnership executed by all of the required existing partners, in the form of Exhibit "L" hereto and forming a part hereof;

(viii) A signed counterpart of the Merger Agreement executed by Apollo in the form of Exhibit "N" attached hereto and made a part hereof: and

(ix) A signed counterpart and notarized for recordation of the TIC Agreement with Forest City in the form of Exhibit "M" hereto and forming a part hereof and/or other collateral agreements and documents relating to Acquirer's tenancy in common with Forest City as are deemed acceptable to Acquirer.

(x) Signed copies of the New Loan documents, save and except for the ones being executed by Forest City, as may be necessary to consummate the New Loan; and

(xi) Execute such other documents, instruments and certificates as may be reasonably necessary to carry out the intent and purpose of this Agreement.

(b) At least one business day prior to the date of Closing, Wilstein, Forest City and Apollo, to the extent applicable, shall have delivered to Escrow Agent counterpart executed originals, and acknowledged as required, of the following documents:

(i) The Assignment of Leasehold together with a separate Declaration Regarding Documentary Transfer Taxes;

(ii) A Bill of Sale (the "Bill of Sale") in the form of Exhibit "F" attached hereto covering the Personal Property;

(iii) An Assignment of Leases;

(iv) An Assignment of Service Contracts;

(v) An original counterpart of each of the Service Contracts, Leases and keys to the Property if in Owner's possession or under its control;

(vi) An affidavit or declaration certifying that Wilstein and Apollo is not a foreign person under IRC § 1445 and the equivalent form 590 RE with respect to the State of California;

(vii) Notices to each of the tenants of the Property of the transfer of the TIC Interests in the Property to Acquirer;

(viii) To the extent they are in Owner's possession, a complete set of all plans, specifications and as-built drawings, and all building permits, certificates of occupancy, third-party soil reports, and environmental reports and studies relating to the Improvements;

(ix) All warranties and operating manuals that Owner may have from vendors, contractors or servicing agents with respect to the physical condition of the Property or any portion thereof or the equipment located thereon;

(x) A signed counterpart of the Contribution Agreement executed by Wilstein and each of the constituent partners of Wilstein in the form of Exhibit "K" attached hereto and made a part hereof;

(xi) A signed counterpart of the Amendment to Agreement of Limited Partnership executed by each of the constituent partners of Wilstein receiving OP Units, in the form of Exhibit "L" hereto and forming a part hereof;

(xii) A signed counterpart of the Merger Agreement executed by Apollo in the form of Exhibit "N" attached hereto and made a part hereof;

(xiii) A signed counterpart by Forest City and notarized for recordation of the TIC Agreement and/or any other collateral documents and instruments relating to the tenancy in common as may be agreed to between Acquirer and Forest City;

(xiv) A signed copy of the Investor Questionnaire in the form of Exhibit "O" attached hereto from each of the Apollo Shareholders and the holders of the Wilstein OP Units;

(xv) Signed copies by Forest City and Wilstein of the appropriate New Loan documents as may be reasonably necessary to consummate the New Loan; and

(xvi) Execute such other documents, instruments and certificates as may be reasonably necessary to carry out the intent and purpose of this Agreement.

(c) Upon delivery of the foregoing sums and documents, Escrow Agent shall cause Title Company to cause

the Assignment of Leasehold and the Tenancy in Common Agreement to be recorded (by a special recording if necessary) in the Official Records of Los Angeles County, California, and immediately to issue the Title Policy.

12. Costs and Prorations.

(a) Prorations. All revenues, income, receivables, costs, expenses and payables of the Property shall be prorated between Owner (including the TIC Interest of Forest City) on the one hand and Acquirer and Forest City, on the other hand, as of Closing on the basis of the actual number of days in a particular month, and with respect to the items enumerated below where a particular manner of apportionment is provided, then apportionment of such item shall be made in such manner. The obligation to make apportionments shall survive Closing and if any item of proration or adjustment is incapable of complete proration or adjustment at the Closing, the parties agree to make such proration or adjustment as soon thereafter as reasonably possible based upon complete information. Without limitation, the following items shall be so apportioned:

(i) Monthly rents and percentage rent and "passthroughs" of real estate taxes and operating expenses due from occupancy tenants under Tenant Leases, as and when collected. Acquirer shall receive no credit for unamortized rent concessions with respect to tenant leases in effect on the Effective Date. If at Closing there are any past due rents or charges owed by occupancy tenants, they shall not be prorated until received; Acquirer shall include such delinquencies in its normal billing and shall pursue the collection thereof in good faith after the Closing Date (but Acquirer shall not be required to litigate or declare a default in any Tenant Lease). To the extent Acquirer receives amounts on account of Tenant Leases on or after the Closing Date, such payments shall be applied first toward then current rent owed to Acquirer in connection with the applicable Tenant Lease for which such payments are received, and any excess monies received shall be applied toward the payment of any delinquent rents, with Owner's share thereof being promptly delivered to Owner. Acquirer may not waive any delinquent rents nor modify a Tenant Lease so as to reduce or otherwise affect amounts owed thereunder for any period in which Owner is entitled to receive its share of charges or amounts without first obtaining Owner's written consent. Owner hereby reserves the right to pursue any remedy against any tenant owing delinquent rents and any other amounts to Owner. Acquirer shall reasonably cooperate with Owner in any collection efforts hereunder (but shall not be required to litigate or declare a default in any

Lease). With respect to delinquent rents and any other amounts or other rights of any kind respecting tenants who are no longer tenants of the Property as of the Closing Date, Owner shall retain all rights relating thereto;

(ii) Rent for the current payment period under the Ground Lease. Any remaining credit due Owner on Additional Rent pursuant to the Settlement Agreement dated December 12, 1995 between Owner and World Savings shall be credited to Owner at Closing;

(iii) Real estate and personal property taxes and any special assessments, based upon the latest previous tax levies. Such items shall be reapportioned between Owner and Acquirer if current tax rates differ from the latest previous tax rates as soon as the same are known. Owner agrees that to the extent any additional taxes, assessments or levies are imposed, assessed or levied against the Property, or any portion thereof, the Owner or the Acquirer at any time subsequent to Closing but with reference to any period prior thereto during Owner's ownership thereof, Owner shall promptly pay to Acquirer an amount equal to such additional assessments or levies. Similarly, if tax refunds become payable for periods during Owner's ownership of the Property, such amounts (subject to adjustments for the potential claims of occupancy tenants that paid tax increases by way of rent escalations to Owner) shall be promptly paid over to Owner. In the event that any assessments on the Property are payable in installments, then the installment for the current period shall be prorated (with Acquirer assuming the obligation to pay any installment due after the Closing Date). In no event shall Owner be charged with or be responsible for any increase in the taxes on the Property resulting from the sale of the Property or from any improvements made or lease entered into on or after the Closing Date;

(iv) Transferable annual permits, licenses, and/or inspection fees, if any, on the basis of the duration of the same;

(v) Security Deposits, plus accrued interest, if any, payable thereon to tenants, and any other deposits and prepaid rent, shall be credited (or assigned) to Acquirer;

(vi) Utility charges levied against Owner or the Property, and Acquirer shall transfer all such utility services to its name and account immediately upon Closing;

(vii) Service Contracts on the basis of the

charge or premium for the period involved;

(viii) Tenant improvements costs, leasing commissions and legal fees for leases signed after the Effective Date shall be paid by Acquirer, to the extent approved by Acquirer in accordance with Paragraphs 7(a) and 7(b) together with any amounts payable thereunder; and

(ix) All other operating expenses incurred in the management and operation of the Property.

No insurance policies shall be assigned hereunder, and accordingly there shall be no proration of insurance premiums.

(b) Expenses of Closing. The expenses of Closing shall be paid in the following manner:

(i) Wilstein and Apollo shall pay:

(1) The cost of securing the CLTA standard coverage portion of the Title Policy that is attributable to the required ALTA Owner's coverage;

(2) Documentary transfer tax (County and City) imposed on the conveyance of title to the Property to Acquirer it being agreed that Acquirer will acquire the Wilstein and Apollo TIC Interests subject to the Existing Loan; and

(3) One-half of Escrow Agent's Escrow Fee.

(ii) Acquirer shall pay:

(1) The cost of the Preliminary Title Report and the cost of any Escrow or Title cancellation charges in the event that the transaction fails to close through no fault of the Owner and, if Closing does occur, that portion of the cost of the Title Policy that is not to be paid by Wilstein and Apollo pursuant to Subsection (b) (i) (1) above including the cost of any endorsements and the cost of updating the ALTA Survey;

(2) The cost of recording the Assignment of Leasehold, and the Tenancy in Common Agreement;

(3) All expenses relating to Acquirer's financing of its acquisition of the Property and its due diligence reviews hereunder; and

(4) One half of Escrow Agent's

Escrow fee.

All other Closing fees and expenses, including, but not limited to, the parties' legal expenses, accounting and consulting fees, and other incidental expenses in connection with this transaction shall be borne by the party incurring same.

13. Representations, Warranties and Covenants of Owner.

(a) Except as specifically set forth in this Paragraph 13(a), the acquisition of the Property hereunder is and will be made on an "as is" basis, without representations and warranties of any kind or nature, express, implied or otherwise, including but not limited to, any representation or warranty concerning title to the Property, the physical condition of the Property (including, but not limited to, the presence or absence of hazardous substances on or respecting the Property), the compliance of the Property with applicable laws and regulations (including, but not limited to, zoning and building codes or the status of development or use rights respecting the Property), the financial condition of the Property or any other representation or warranty respecting any income, expenses, charges, liens or encumbrances, rights or claims on, affecting or pertaining to the Property or any party thereof. Acquirer acknowledges that Acquirer has examined, reviewed and inspected all matters which in Acquirer's judgment bear upon the Property and its value and suitability for Acquirer's purposes. Except as to matters specifically set forth in this Paragraph 13(a), Acquirer will acquire the Property solely on the basis of its own physical and financial examinations, reviews and inspections and the title insurance protection afforded by the Title Policy. Subject to the foregoing and except as disclosed by Owner to Acquirer or otherwise discovered by Acquirer prior to the expiration of the Approval Period as contained in the materials delivered to Acquirer and identified in Paragraph 5 hereof, Owner hereby makes the following representations, warranties and covenants. Except as disclosed in Exhibit "J" attached hereto:

(i) Owner has no knowledge of any:

(1) existing latent defects or seismic conditions concerning the Real Property or the Improvements or materially incorrect income or expense figures in any financial statements prepared by or for Owner and delivered to Acquirer regarding the Property (with

respect to periods of time occurring prior to the date hereof and, without limitation on the foregoing, Owner does not make any representation or warranty with respect to any projections);

(2) any pending claim, litigation or administrative action, arbitration, proceeding pending before any court, agency or official, nor any such claim or action threatened in writing, relating to the Owner or the Property;

(3) written notice of violations of City, County, State, Federal, building, zoning, fire or health codes, regulations or ordinances, filed or issued against the Property;

(4) Hazardous Substance in existence on or below the surface of the Real Property or in any building located upon the Real Property, including, without limitation, contamination of soil, subsoil or ground water, which constitutes a violation of any applicable law, rule or regulation of any government entity having jurisdiction thereof except for office and medical supplies in customary quantities; and

(5) matter that would suggest any portion of the Property having ever been used by Owner or any tenant of any portion of the Property during Owner's ownership thereof as a waste storage or disposal site or gasoline station. Without limiting the other provisions of this Agreement, Owner shall reasonably cooperate with Acquirer's investigation of matters relating to the foregoing provisions of this paragraph and to provide access to and copies of any third party data and/or documents dealing with potentially Hazardous Substances used at the Property and any disposal practices followed in accordance with, and subject to the provisions of, Paragraph 6 hereof. Owner agrees that Acquirer may make inquiries of governmental agencies regarding such matters, without liability for the outcome of such discussions. For the purposes of this Agreement, "Hazardous Substances" shall mean (A) substances defined as "hazardous substances" in (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S. C. ?? 9601 et seq.), or (ii) the Resource Conservation and Recovery Act of 1976 (42 U.S.C. ?? 6901 et seq.), together with the regulations enacted pursuant to such acts, and (B) those substances defined as "hazardous wastes" in ? 25117 of the California Health and Safety Code or as "hazardous substances" in ? 25316 of the California Health and Safety Code together with the regulations enacted pursuant to such statutes.

(ii) The ground lease with World Savings described in Exhibit "A" hereto constituting the Leasehold Estate, the Tenant Leases and Service Contracts and any other agreements, matters and things to be submitted to Acquirer by Owner for approval pursuant to Paragraph 5 above, or otherwise, shall be true, correct and complete copies thereof as of the date of submission thereof, and as thereafter supplemented by supplements or additions, approved in writing by Acquirer, on or before Closing. Notwithstanding anything to the contrary contained herein, Owner shall have no obligation or liability to Acquirer with respect to any of the foregoing ground or tenant lease matters which shall be confirmed as correct in any estoppel certificate delivered to Acquirer as provided in this Agreement;

(iii) To Owner's knowledge, the operating financial information prepared by Owner and delivered to Acquirer with respect to the Property, consisting of Statements of Operations for all calendar years beginning on and after January 1, 1995 and for the current calendar year are true and correct in all material respects; in this regard Owner agrees to make available to Acquirer and its accountants, at Acquirer's cost, all accounting records for the calendar year ended December 31, 1996 and for the period from January 1, 1997 through the date of Closing, including but not limited to all general ledgers, cash receipts, cancelled checks and any other accounting documents and information directly relating to the operations of the Property reasonably requested to the extent in Owner's possession; and

(iv) As used in this Agreement, "to Owner's knowledge" or other similar knowledge limitations as to Owner shall mean the actual knowledge, without any duty to investigate, of Jeff Buttikofer, David Wilstein and Andrew S. Cohen.

(b) Notwithstanding anything contained in Paragraphs 5(a) or 13(a) to the contrary, Owner is neither responsible nor liable for any representation or warranty, either expressed or implied, guaranty, promise or other information pertaining to the Property or the Improvements made or furnished to Acquirer by any broker representing or purporting to represent Owner.

(c) None of Apollo, Wilstein or Forest City has any employees which are also employed by 11601 Wilshire Associates, a California general partnership and whose job description require work at or solely with respect to the

Property. Furthermore, nothing in this Agreement or any document delivered pursuant hereto, express or implied, shall obligate Acquirer to employ any person now employed at the Property.

14. Representations and Warranties of Acquirer. Acquirer hereby makes the following representations and warranties, each of which is deemed to be material and each of which is stated by Acquirer to be true and correct on the date hereof:

(a) Acquirer has full legal power and authority to enter into and perform this Agreement in accordance with its terms. This Agreement constitutes the valid and binding obligation of Acquirer, enforceable in accordance with its terms, except as such enforcement may be affected by bankruptcy, insolvency and other laws affecting the rights of creditors generally. The execution, delivery and performance of this Agreement and all documents in connection therewith are not in contravention of or in conflict with any agreement or undertaking to which Acquirer is a party or by which Acquirer may be bound or affected.

(b) The execution and delivery of this Agreement and the payment and performance by Acquirer of its payments and obligations hereunder require no further action or approval in order to constitute this Agreement as a binding and enforceable obligation of Acquirer, and all such actions have been duly taken by Acquirer.

(c) As of the expiration of the Approval Period and as of the Closing Date (i) Acquirer has received and reviewed all materials provided to Acquirer by Owner pursuant to Paragraphs 4 and 5 above (collectively, the "Due Diligence Materials"), (ii) Acquirer has inspected the Property, (iii) Acquirer has made such investigation of the information contained in the Due Diligence Materials as it deems appropriate, and (iv) Acquirer is satisfied based upon its examination of the Due Diligence Materials and its investigation of all other aspects of the Property which Acquirer deems material to its purchase thereof, including, without limitation, the condition of title to the Property, the zoning of the Property, the condition and physical aspects of all structures located on the Real Property (including the Improvements) and the presence or absence of Hazardous Substances on the Property. Except as set forth in subparagraph 13(a) and elsewhere in this Agreement, Acquirer is not relying on any representation, written information, data, reports, warranty, or statement of Owner or their agents concerning the Property or the accuracy or completeness of the Due Diligence Materials, and Acquirer is

acquiring the Property in "AS-IS" condition based solely upon Acquirer's own independent inspection, investigation and review, as more particularly set forth in Paragraph 13(a) hereof. Furthermore, Acquirer acknowledges and agrees that Owner has no obligation from and after the date hereof to continue or complete the installation of any corridor upgrades or environmental management systems.

15. General Covenants and Agreements of Acquirer and Owner.

(a) Delivery of Possession. Possession of the Property shall be delivered to Acquirer upon Closing, subject to the rights of tenants in possession.

(b) Damage to or Destruction of Property Prior to Closing; Risk of Loss. If prior to Closing the Property shall sustain damage caused by fire or other casualty that is insured and that would cost One Million Dollars (\$1,000,000) or more to repair or if any uninsured loss or casualty occurs that would cost One Million Dollars (\$1,000,000) or more to repair, either Owner or Acquirer may respectively elect to terminate this Agreement by written notice to the other within fifteen days after notice of such event, or at Closing, whichever is earlier. If neither Owner nor Acquirer so elects to terminate its obligations under this Agreement, or if the loss or casualty would cost less than One Million Dollars (\$1,000,000) to repair, the Closing shall take place as provided herein and Acquirer shall receive (i) a credit for the amount of Owner's deductible or retention and (ii) an assignment of Owner's rights to insurance proceeds with respect to any unrepaired damage (including any rental loss proceeds for periods after the Closing), loss or casualty in question. Owner shall retain all interest in and to the insurance proceeds that may be payable to Owner on account of repaired and completed damage, but Owner shall have no obligation of repair or replacement.

(c) Condemnation of Property Prior to Closing. In the event that the Property or any part thereof becomes the subject of a condemnation proceeding other than of a minor immaterial nature prior to Closing, Owner agrees to immediately advise Acquirer thereof. In the event of such condemnation, Acquirer shall have the option to (1) take title in accordance with the terms and conditions of this Agreement and negotiate with the said condemning authority for the condemnation award and receive the benefits thereof without affecting the Valuation, or (2) terminate this Agreement and declare its obligations thereunder null and void and of no further effect, in which event all sums

theretofore paid to Owner or to Escrow Agent hereunder shall be returned to Acquirer as set forth herein. Notice of the exercise of such option hereunder shall be in writing, delivered to Owner at the address set forth in Paragraph 16(g) of this Agreement (or such other address as Owner may have theretofore designated in writing) at least two days prior to Closing.

(d) Brokers/Finders. Owner warrants that Owner did not negotiate with respect to the purchase of the Property through any broker, agent, finder, affiliate or other third party or incur any liability, contingent or otherwise, for brokerage or finder's fees or agent's commissions or other like payments in connection with this Agreement, or the transactions contemplated hereby and Owner hereby agrees to indemnify Acquirer against and hold Acquirer harmless from any and all claims, demands, causes of action or damages resulting from any breach of this warranty. Acquirer hereby warrants that Acquirer did not negotiate through any broker, agent, finder, affiliate or other third party or incur any liability, contingent or otherwise, for any such brokerage or finder's fees, agent's commissions or other like payments, in connection with this Agreement, and hereby agrees to indemnify Owner against and hold Owner harmless from any and all claims, demands, causes of action or damages resulting from any breach of this warranty. This provision shall survive Closing.

(e) Further Assurances Prior to Closing. Owner and Acquirer shall, prior to Closing, execute any and all documents and perform any and all acts reasonably necessary, incidental or appropriate to effect the purchase and sale and the transactions contemplated in this Agreement.

(f) Time of Essence. Time shall be of the essence with respect to the obligations of the parties hereunder.

(g) Waivers, Amendments and Modifications of Provisions. Waivers, amendments or modifications of any term or condition of this Agreement must be in writing signed by the party against whom such waiver is sought to be enforced. No waiver by any party of any breach hereunder shall be deemed a waiver of any other or subsequent breach.

(h) Indemnification. Owner shall indemnify Acquirer against and hold Acquirer harmless from any and all loss, cost, damage, claim, liability or expense, including court costs and reasonable attorneys' fees, for third party claims arising out of or in connection with any tort committed by Owner (including any personal injury or property damage or claim of personal injury or property

damage of any kind whatsoever, including death, to property or persons, including employees of Owner) unless caused by Acquirer, resulting from such tort occasioned in or about the Property prior to Closing. Acquirer shall indemnify Owner against and hold Owner harmless from any and all loss, damage, claim of damage, liability or expense, including court costs and reasonable attorneys' fees, for third party claims arising out of or in connection with any tort committed by Acquirer (including any personal injury or property damage or claim of personal injury or property damage of any kind whatsoever, including death, to property or persons, including employees of Acquirer) unless caused by Owner, resulting from such tort occasioned in or about the Property (a) as a result of its investigation of the Property during the Approval Period or (b) on or subsequent to Closing. These covenants shall survive Closing.

16. Miscellaneous Provisions.

(a) Successors and Assigns. Subject to the provisions hereof, the terms and provisions hereof shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

(b) Meaning of Terms. When necessary herein, all terms used in the singular shall apply to the plural and vice versa; and all terms used in the masculine shall apply to the neuter and feminine genders.

(c) Entire Agreement. This Agreement is the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements between the parties hereto with respect thereto. No claim of waiver, modification, consent or acquiescence with respect to any of the provisions of this Agreement shall be made against either party, except on the basis of a written instrument executed by or on behalf of such party.

(d) Governing Law. This Agreement is to be governed by and construed in accordance with the internal laws of the State of California.

(e) Paragraph Headings. The headings of the several paragraphs of this Agreement are inserted solely for convenience of reference and are not a part of and are not intended to govern, limit or aid in the construction of any term or provision hereof.

(f) Attorneys' Fees. If either Owner or Acquirer shall obtain legal counsel and bring an action or proceeding against the other by reason of an alleged breach of any

covenant, provision or condition hereof, or otherwise arising out of this Agreement, the unsuccessful party shall pay to the prevailing party reasonable attorneys' fees, which shall be payable whether or not any proceeding is prosecuted to judgment or award. The term "prevailing party" shall include a party (i) who brings an action or proceeding against the other by reason of the other's breach or default and obtains substantially the relief sought by judgment or award or (ii) who successfully defends an action or proceeding brought by the other party and against whom no material damages or specific performance are awarded.

(g) Notices. All notices, requests and other communications hereunder shall be in writing and shall be personally delivered or, in the alternative, deposited with (1) the United States Postal Service, Certified Mail with Return Receipt Requested, with postage prepaid or (2) Federal Express or other overnight air freight forwarder for delivery the next business day or (3) by facsimile transmission during normal business hours on regular business days at the to the following addresses, and shall be effective immediately upon delivery:

Owner: Apollo Real Estate Advisors, LP
1301 Avenue of the Americas
38th Floor
New York, NY 10019
Attn: Andrew S. Cohen
FAX (212) 261-4060

With a copy to: Pircher, Nichols & Meeks
1999 Avenue of the Stars
16th Floor
Los Angeles, CA 90067
Attn: Real Estate Notices (GML)
FAX (310) 201-8922

With a copy to: Forest City Enterprises, Inc.
Legal Department
1160 Terminal Tower
50 Public Square
Cleveland, OH 44113-2203
Attn: William M. Warren, Esq.
FAX (216) 263-6206

With a copy to: Baker & Hostetler LLP
3200 National City Center
1900 East Ninth Street
Cleveland, OH 44114-3485
Attn: Alexander J. Szilvas, Esq.
FAX: (216) 696-0740

With a copy to: David Wilstein
Realtech
2080 Century Park East
Penthouse
Los Angeles, CA 90067
FAX (310) 553-0205

With a copy to: Resch Polster Alpert & Berger LLP
10390 Santa Monica Boulevard
4th Floor
Los Angeles, CA 90025
Attn: Ronald Resch, Esq.
FAX (310) 552-3209

Acquirer: Arden Realty, Inc.
9100 Wilshire Boulevard
Suite 700 East
Beverly Hills, CA 90212
Attn: Victor J. Coleman
FAX (310) 246-2941

With a copy to: Troy & Gould
1801 Century Park East
16th Floor
Los Angeles, CA 90067
Attn: Kenneth R. Blumer, Esq.
FAX (310) 201-4746

Escrow Agent: Chicago Title Company
700 South Flower Street
Suite 900
Los Angeles, CA 90017
Attn: Rose Martinez
FAX (213) 488-4384

All notices, requests and other communications may be sent by legal counsel for the party and shall be deemed received on the date of acknowledgment or other evidence of actual receipt.

(h) Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

(i) Further Assurances on or After Closing. Each party hereto agrees to do all acts and things and to make,

execute and deliver such written instruments as shall be reasonably necessary to carry out the terms and provisions of this Agreement. This covenant of further assurances shall survive Closing.

(j) Other Parties. Nothing in this Agreement shall be construed as giving any person, firm, corporation or other entity, other than the parties hereto, their successors and permitted assigns, any right, remedy or claim under or with respect to this Agreement or any provision hereof.

(k) Confidentiality. Owner and Acquirer agree that it is in both of their best interests to keep this Agreement and all information concerning the Property confidential until Closing. Owner and Acquirer each agrees that neither shall take any action nor conduct itself in any fashion that would disclose to unrelated third parties Acquirer's acquisition or intended ownership and operation of the Property or any aspect of the contemplated transaction, subject, however, to any party's obligations under the Securities Act of 1933, the Securities and Exchange Act of 1934, the rules and regulations promulgated thereunder, the rules of the NYSE and any credit or underwriting agreement by which either party is bound and Owner's obligation to notify World Savings, the Lessor under the Master Lease, as defined in Exhibit "E" hereto, or the occupancy tenants and its existing lender of the proposed transactions hereunder. After Closing, either party may make a public announcement of the transaction.

(l) Survival. Any cause of action of a party for a breach of the representations and warranties contained in this agreement shall survive for a one (1) year period after Closing, at which time such representations and warranties (and any cause of action resulting from a breach thereof not then in litigation) shall terminate. Notwithstanding the foregoing, if Acquirer shall have actual knowledge as of the Closing that any of the representations or warranties of Owner contained herein are false or inaccurate or that Owner is in breach or default of any of its obligations under this Agreement, and Acquirer nonetheless closes the transactions hereunder and acquires the Property, then Owner shall have no liability or obligation respecting such false or inaccurate representations or warranties or other breach or default (and any cause of action resulting therefrom shall terminate upon such closing hereunder).

(m) Counterparts. This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed an original; such counterparts shall

together constitute but one agreement.

(n) Facsimile Signatures. Acquirer and Owner each (i) has agreed to permit the use, from time to time and where appropriate, of telecopied signatures in order to expedite the transaction contemplated by this Agreement, (ii) intends to be bound by its respective telecopied signature, (iii) is aware that the other party will rely on the telecopied signature, and (iv) acknowledges such reliance and waives any defenses to the enforcement of the documents and notices effecting the transaction contemplated by this Agreement based on the fact that a signature or notice was sent by telecopy.

IN WITNESS WHEREOF, Owner and Acquirer do hereby execute this Agreement as of the date first written above.

Owner: 11601 HOLDING CORP.,
a Delaware corporation

By: /s/ Andrew Cohen
Name: Andrew Cohen
Title: Vice President

WILSHIRE SV ASSOCIATES,
a California limited partnership
(formerly known as WSV Associates)

By: Housing Affiliates, Inc.,
a California corporation

By:/s/ David Wilstein
David Wilstein, President

CONSTITUENT PARTNERS OF WILSHIRE SV ASSOCIATES

HOUSING AFFILIATES, INC.,
a California corporation

By:/s/ David Wilstein
David Wilstein, President

/s/ David Wilstein
David Wilstein

/s/ Leonard Wilstein

Leonard Wilstein

/s/ Arnold Rosenstein
Arnold Rosenstein

/s/ Raymond Lee Jensen
Lee Jensen

FOREST CITY SAN VICENTE CORP.,
an Ohio corporation

By:/s/ David J. LaRue
Name: David J. LaRue
Title: Vice President

Acquirer: ARDEN REALTY LIMITED PARTNERSHIP,
a Maryland limited partnership

By: Arden Realty, Inc.,
a Maryland corporation,
Its general partner

By: /s/ Victor J. Coleman
Victor J. Coleman,
President and Chief
Operating Officer

ARI: ARDEN REALTY, INC.
a Maryland limited partnership
Its general partner

By: /s/ Victor J. Coleman
Victor J. Coleman,
President and Chief
Operating Officer

The undersigned hereby executes this Agreement to evidence its agreement to act as Escrow Holder in accordance with the terms of this Agreement.

AGREED AND ACCEPTED:

Escrow Agent:

Chicago Title Company

By: /s/ Rose Martinez

Name: Rose Martinez

Title: Senior Escrow Officer

ARDEN REALTY LIMITED PARTNERSHIP
9100 Wilshire Boulevard
Suite 700 East
Beverly Hills, California 90212

December 9, 1997

11601 Wilshire Associates
c/o Real Tech Leasing & Management
2080 Century Park East
Penthouse
Los Angeles, CA 90067
Attn: David Wilstein

Re: World Savings Building.

Gentlemen:

Reference is made to that certain Agreement to Acquire Certain Interests in Real Property dated November 12, 1997 and covering the World Savings Building at 11601 Wilshire Boulevard, Los Angeles, California, as modified by those certain letter agreements among us dated November 13, 1997, November 20, 1997, November 26, 1997, December 1, 1997 and December 3, 1997, respectively, extending the critical dates to December 5, 1997 and the Closing Date to December 10, 1997 (collectively, the "Master Agreement"), between you and your direct and indirect constituent partners as Owner and the undersigned as Acquirer ("Arden") regarding the above-referenced real property ("Property"). Capitalized terms not otherwise defined in this letter shall have the meaning ascribed to them in the Master Agreement.

Prior to the date hereof you delivered to Arden a proposed Settlement Agreement between you and Sprink, Inc. ("Sprink") covering an alleged defect in the bolts used in the coupling of sprinkler system ("Bolts") whereby Sprink offered you the sum of \$200,000 in full settlement of any claims related to the Bolts in exchange for a full and general release. In addition, the fire safety panel at the Building ("Fire Panel") and the upgrade of the Energy Management System at the Building ("EM System") may not be completed, repaired, fully functional and "signed-off" by the City of Los Angeles until after the Closing. Owner and Arden have continued discussion regarding these matters and have now agreed to resolve their differences with regard to these items and follows: Arden hereby agrees to acquire and Owner agrees to transfer the Property in accordance with the terms

of the Master Agreement as amended by this letter agreement ("Amendment") upon the following additional or modified terms and conditions:

1. Owner shall assign at Closing all of its right, title and interest in and to its cause of action or right to a cause of action against Sprink and all rights to the proposed settlement with Sprink, including the proceeds thereof.

2. Owner acknowledges that (a) there is a balance due on the Fire Panel installation contract with Pyro Technation Specialists the sum of \$87,941 (which includes certain holdbacks) at the completion thereof and (b) the Building has been cited by the Fire Department for violations of the fire, life-safety systems which must be remedied by January 5, 1998. Arden believes that there may be an additional \$25,000 required to do the work which is specifically excluded from the Pyro Technation Specialists Contract (such as ceiling repair and painting) as well as do the work to satisfy the notices of violation. Owner agrees to credit the sum of \$112,941 (i.e., \$87,941 plus \$25,000) to Arden at Closing and agrees to use its best efforts to obtain an extension prior to Closing of the date by which the violations must be cured to February 15, 1998.

3. The EMS System work is being performed by The Bar Wren Company ("Contractor"). In order to provide security to Arden that the work will be completed, signed-off by the City of Los Angeles, fully functional under load conditions and warranted for one year by the Contractor, Owner has agreed to leave \$250,000 in Escrow after Closing in an interest bearing account as a security fund and held by Escrow for a maximum of one year after Closing to provide security to Arden that if the Contractor fails to fully perform or complete the installation of the EM System upgrade to the reasonable satisfaction of Arden or the City of Los Angeles, or if the EM System fails under load tests or fails to otherwise adequately perform under standard working conditions at the Building in accordance with its specifications or the covenants or warranties of the Contractor or breaks-down during the warranty period and, in all such cases, is not promptly repaired so as to be fully functional by the Contractor under its warranty (as opposed to problems and costs related to maintenance work), Arden shall have the right by written notice to Escrow to demand immediate reimbursement for monies expended by it to correct, repair or replace the EM System (which ever is the most commercially reasonable alternative under the circumstances). This holdback reserve shall be managed in accordance with that certain Post Closing Reserve Agreement, attached hereto

marked Exhibit A and incorporated herein by this reference.

4. Commencing as of the date this Amendment is accepted by Owner, Purchaser shall be deemed to have "approved" the Property for all purposes and its Deposit shall be increased to a total of \$2,500,000 and become non-refundable, subject to the conditions precedent to its obligation to Close as set forth in the Master Agreement. Without limitation thereon, Arden acknowledges that it is acquiring the Property subject to (i) the matters disclosed in connection with the Sprink litigation, and (ii) the status of the Fire Panel, Fire Department violations, and the EM System (and acknowledges that, except for the credits or holdbacks provided for herein, Owner shall have no further liability or obligation with respect thereto, such liability or obligation being hereby released). Arden waives and releases all claims whether known or unknown regarding the matters described in the preceding clauses (i) and (ii) including, without limitation, all benefits under California Civil Code Section 1542; provided, however, that Owner represents and warrants to Arden that \$87,941 is the maximum amount due under paragraph 2(a) above and the foregoing waiver shall not apply to this representation and warranty.

5. Notwithstanding anything in the Master Agreement to the contrary, the Apollo interest shall first be contributed to Arden by means of a Contribution Agreement being executed concurrently with this Amendment whereby Apollo shall receive at Closing OP Units in exchange for its equity in the Property; and the amount utilized to calculate the number of OP Units of Apollo and the OP Units of the Constituent Partners of Wilstein to be acquired pursuant to the respective Contribution Agreements shall be reduced by each such entities' share of the net expenses of the transaction which shall be paid by Arden on such entities' behalf.

6. Except to the extent set forth above, Owner and Arden hereby reaffirm and ratify the Master Agreement as previously amended and as amended hereby.

7. This letter may be executed in two or more counterparts, and, when so executed, will have the same force and effect as though all signatures appeared on a single document. Any signature page of this letter may be detached from any counterpart without impairing the legal effect of any signatures thereon, and may be attached to another counterpart identical in form thereto but having attached to it one or more additional signature pages. In addition to the foregoing, the parties hereto each (i) has agreed to permit the use of telecopied signatures in order to expedite the transaction contemplated by this letter, (ii) intends to be

bound by its respective telecopied signature, (iii) is aware that the other party will rely on the telecopied signature, and (iv) acknowledges such reliance and waives any defenses to the enforcement of this letter and notices effecting the transaction contemplated by this letter based on the fact that a signature or notice was sent by telecopy.

If the foregoing is in accordance with your understanding of our agreement, please sign and return a copy of this Amendment for our files.

Sincerely,

ARDEN REALTY LIMITED PARTNERSHIP,
a Maryland limited partnership

By: Arden Realty, Inc.
a Maryland corporation
Its general partner

By:/s/ Richard S. Ziman
Richard S. Ziman,
Chairman of the Board and
Chief Executive Officer

Accepted and Agreed to this
12th day to December 1997

11601 WILSHIRE ASSOCIATES,
a California general partnership

By: 11601 HOLDING CORP.,
a Delaware corporation,
Its General Partner

By:/s/ Andrew S. Cohen
ANDREW S. COHEN,
Vice President

By: SAN VICENTE ASSOCIATES,
a California general partnership,
Its General Partner

By: WILSHIRE SV ASSOCIATES,
a California limited partnership
(formerly known as WSWA Associates),
Its General Partner

By: HOUSING AFFILIATES, INC.,
a California corporation,
Its General Partner

By: /s/ David Wilstein
DAVID WILSTEIN,
President

By: FOREST CITY SAN VICENTE CORP.,
an Ohio corporation,
Its General Partner

By: /s/ D. Layton McCown
Print Name: D. Layton McCown
Print Title: Vice President

11601 HOLDING CORP.,
a Delaware corporation

By: /s/ Andrew S. Cohen
Name: Andrew S. Cohen
Title: Vice President

WILSHIRE SV ASSOCIATES,
a California limited partnership
By: Housing Affiliates, Inc.,
a California corporation

By: /s/ David Wilstein
David Wilstein, President

CONSTITUENT PARTNERS OF WILSHIRE SV ASSOCIATES

HOUSING AFFILIATES, INC.,
a California corporation

By: /s/ David Wilstein
David Wilstein, President

/s/ David Wilstein
David Wilstein as Co-Trustee of
D & S Wilstein Family Trust - 1989

/s/ Leonard Wilstein
Leonard Wilstein as Co-Trustee of 1987
L & J Wilstein Family Trust

/s/ Arnold Rosenstein
Arnold Rosenstein

/s/ Lee Jensen
Lee Jensen as Trustee of the 1987
Jensen Living Revocable Trust

FOREST CITY SAN VICENTE CORP.,
an Ohio corporation

By: /s/ D. Layton McCown
Name: D. Layton McCown
Title: Vice President

cc: Victor J. Coleman
Brig Troy
Kenneth R. Blumer, Esq. (310) 201-4746
Rose Martinez (213) 488-4384
Gary Laughlin Esq. (310) 201-8922
Nicolas Ramniceanu, Esq. (310) 552-3209

November 20, 1997

ARD2-13

VIA FACSIMILE AND FIRST CLASS MAIL

Gary M. Laughlin, Esq.
Pircher, Nichols & Meeks
1999 Avenue of the Stars
Suite 2600
Los Angeles, CA 90067
FAX (310) 201-8922

Alexander J. Szilvas, Esq.
Baker & Hostetler LLP
3200 National City Center
1900 East Ninth Street
Cleveland, OH 44114-3485
FAX: (216) 696-0740

Ronald Resch, Esq.
Resch Polster Alpert & Berger LLP
10390 Santa Monica Boulevard
4th Floor
Los Angeles, CA 90025
FAX (310) 552-3209

Re: World Savings Master Agreement

Dear Gary, Alex and Ron:

As you know, pursuant to the terms of that certain Agreement to Acquire Certain Interests in Real Property among our respective clients dated November 12, 1997 and covering the World Savings Building at 11601 Wilshire Boulevard, Los Angeles, California, as modified by that certain letter agreement among us dated November 13, 1997, extending the critical dates to November 21, 1997 (collectively, the "Master Agreement") tomorrow is the last day of the Due Diligence Period and the last day to approve of the Merger Agreement, Contribution Agreement and the Tenancy In Common Agreement, as respects each of your client's aspect of the proposed transaction.

Because of requirements of the proposed new lender on the Property, which continue to be in flux, as well as the tax requirements of each of your respective clients, it is now apparent that there will not be complete agreement on all of the sub-parts of the Master Agreement by such deadline; namely, the Merger Agreement, Contribution Agreements and the new debt and tax structure. While my client, Arden Realty Limited Partnership, continues to be willing to waive its due diligence contingencies based upon its physical and fiscal review of the Property, the issue of the required debt or basis requirements for each of your clients continues to be an unresolved issue and I believe it to be in everyone's best interest to agree upon an extension of this and all of the other November deadlines set forth in the Master Agreement until the earlier of the date when all of the aforementioned have been approved (including the Option and Put Agreement between my client and Forest City) or Wednesday, November 26, 1997 at 5:00 pm Los Angeles time.

In this way, we can all proceed apace to conclude each of our respective tax and legal aspects of this transaction without immediate fear of a "drop-dead" date.

Therefore, this letter will confirm our mutual agreement on behalf of our respective clients that (1) the Due Diligence Period and (2) the date by which the Tenancy in Common Agreement (including the Option and Put Agreement), the Contribution Agreements and the Merger Agreement must be approved are hereby extended to the earlier of that date such agreements are approved by each of the respective parties or Wednesday, November, 1997.

Please confirm this understanding, by signing and returning a copy of this letter to each party's counsel for their and my files. Thank you for your cooperation.

Please let me know if you have any questions or comments concerning any of the foregoing.

Best Regards,

/s/ Kenneth R. Blumer
Kenneth R. Blumer
Member of the Firm

KRB:rl

The foregoing is hereby confirmed and agreed to on behalf of our respective clients.

/s/ Gary Laughlin
Gary Laughlin
Pircher Nichols & Meeks
on behalf of Apollo

/s/ Alexander Szilvas
Alexander Szilvas
Baker & Hostetler LLP
on behalf of Forest City

/s/ Ronald Resch
Ronald Resch
Resch Polster Alpert & Berger LLP
on behalf of Wilstein

November 26, 1997

ARD2-13

VIA FACSIMILE AND FIRST CLASS MAIL

Gary M. Laughlin, Esq.
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Ronald Resch, Esq.
Resch Polster Alpert & Berger LLP
10390 Santa Monica Boulevard
4th Floor
Los Angeles, CA 90025
FAX (310) 552-3209

Re: World Savings Master Agreement

Dear Gary, Alex and Ron:

As you know, pursuant to the terms of that certain Agreement to Acquire Certain Interests in Real Property among our respective clients dated November 12, 1997 and covering the World Savings Building at 11601 Wilshire Boulevard, Los Angeles, California, as modified by that certain letter agreement among us dated November 13, 1997, extending the critical dates to November 21, 1997 (collectively, the "Master Agreement"), as further modified by the Letter Agreement dated November 20, 1997, extending the critical dates to November 26, 1997, today is the last day of the Due Diligence Period and the last day to approve of the Merger

Agreement, Contribution Agreement and the Tenancy In Common Agreement, as respects each of your client's aspect of the proposed transaction.

Because of requirements of the proposed new lender on the Property, which continue to be in flux, as well as the tax requirements of each of your respective clients, it is now apparent that there will not be complete agreement on all of the sub-parts of the Master Agreement by such deadline; namely, the Merger Agreement, Contribution Agreements and the new debt and tax structure. While my client, Arden Realty Limited Partnership, continues to be willing to waive its due diligence contingencies based upon its physical and fiscal review of the Property, the issue of the required debt or basis requirements for each of your clients continues to be an unresolved issue and I believe it to be in everyone's best interest to agree upon an extension of this and all of the other November deadlines set forth in the Master Agreement until the earlier of the date when all of the aforementioned have been approved (including the Option and Put Agreement between my client and Forest City) or Monday, December 1, 1997 at 5:00 pm Los Angeles time.

In this way, we can all proceed apace to conclude each of our respective tax and legal aspects of this transaction without immediate fear of a "drop-dead" date.

Therefore, this letter will confirm our mutual agreement on behalf of our respective clients that (1) the Due Diligence Period and (2) the date by which the Tenancy in Common Agreement (including the Option and Put Agreement), the Contribution Agreements and the Merger Agreement must be approved are hereby extended to the earlier of that date such agreements are approved by each of the respective parties or Monday, December 1, 1997.

Please confirm this understanding, by signing and returning a copy of this letter to each party's counsel for their and my files. Thank you for your cooperation.

Please let me know if you have any questions or comments concerning any of the foregoing.

Best Regards,

Patrick R. Obel
Member of the Firm

PRO:rl

The foregoing is hereby confirmed and agreed to on behalf of our respective clients.

/s/ Gary Laughlin
Gary Laughlin
Pircher Nichols & Meeks
on behalf of Apollo

/s/ Alexander Szilvas
Alexander Szilvas
Baker & Hostetler LLP
on behalf of Forest City

/s/ Ronald Resch
Ronald Resch
Resch Polster Alpert & Berger LLP
on behalf of Wilstein

December 1, 1997

ARD2-13

VIA FACSIMILE AND FIRST CLASS MAIL

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Ronald Resch, Esq.
Resch Polster Alpert & Berger LLP
10390 Santa Monica Boulevard
4th Floor
Los Angeles, CA 90025
FAX (310) 552-3209

Re: World Savings Master Agreement

Dear Gary, Alex and Ron:

As you know, pursuant to the terms of that certain Agreement to Acquire Certain Interests in Real Property among our respective clients dated November 12, 1997 and covering the World Savings Building at 11601 Wilshire Boulevard, Los Angeles, California, as modified by those certain letter agreements among us dated November 13, 1997, November 20, 1997 and November 26, 1997, respectively, extending the critical dates to December 1, 1997 (collectively, the "Master Agreement"), today is the last day of the Due Diligence Period and the last day to approve of the Merger Agreement, Contribution Agreement and the Tenancy In Common Agreement,

as respects each of your client's aspect of the proposed transaction.

Because of requirements of the proposed new lender on the Property as well as the tax requirements of each of your respective clients as respects the changing nature of the Contribution Agreement and the Merger Agreement, it is now apparent that there will not be complete agreement on all of the sub-parts of the Master Agreement by such deadline; namely, the Merger Agreement and Contribution Agreement. While my client, Arden Realty Limited Partnership, continues to be willing to waive its due diligence contingencies based upon its physical and fiscal review of the Property, the issue of the required debt or basis requirements for each of your clients continues to be an unresolved issue and I believe it to be in everyone's best interest to agree upon an extension of this and all of the other November deadlines set forth in the Master Agreement until the earlier of the date when all of the aforementioned have been approved or Wednesday, December 3, 1997 at 5:00 pm Los Angeles time.

In this way, we can all proceed apace to conclude each of our respective tax and legal aspects of this transaction without immediate fear of a "drop-dead" date.

Therefore, this letter will confirm our mutual agreement on behalf of our respective clients that (1) the Due Diligence Period and (2) the date by which the Contribution Agreements and the Merger Agreement must be approved (the Tenancy in Common Agreement and Option and Put Agreement have previously been approved) are hereby extended to the earlier of that date such agreements are approved by each of the respective parties or Wednesday, December 3, 1997; and the Closing Date is hereby extended to December 10, 1997.

Please confirm this understanding, by signing and returning a copy of this letter to each party's counsel for their and my files. Thank you for your cooperation.

Please let me know if you have any questions or comments concerning any of the foregoing.

Best Regards,

/s/ Kenneth R. Blumer
Kenneth R. Blumer
Member of the Firm

The foregoing is hereby confirmed and agreed to on behalf of our respective clients.

/s/ Gary Laughlin
Gary Laughlin
Pircher Nichols & Meeks
on behalf of Apollo

/s/ Alexander Szilvas
Alexander Szilvas
Baker & Hostetler LLP
on behalf of Forest City

/s/ Ronald Resch
Ronald Resch
Resch Polster Alpert & Berger LLP
on behalf of Wilstein

December 3, 1997

ARD2-13

VIA FACSIMILE AND FIRST CLASS MAIL

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Alexander J. Szilvas, Esq.
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Cleveland, OH 44114-3485
FAX: (216) 696-0740

Ronald Resch, Esq.
Resch Polster Alpert & Berger LLP
10390 Santa Monica Boulevard
4th Floor
Los Angeles, CA 90025
FAX (310) 552-3209

Re: World Savings Master Agreement

Dear Gary, Alex and Ron:

As you know, pursuant to the terms of that certain Agreement to Acquire Certain Interests in Real Property among our respective clients dated November 12, 1997 and covering the World Savings Building at 11601 Wilshire Boulevard, Los Angeles, California, as modified by those certain letter agreements among us dated November 13, 1997, November 20, 1997, November 26, 1997 and December 1, 1997, respectively, extending the critical dates to December 3, 1997 and the Closing Date to December 10, 1997 (collectively, the "Master Agreement"), today is the last day of the Due Diligence Period and the last day to approve of the Merger Agreement, Contribution Agreement and the Tenancy In Common Agreement, as respects each of your client's aspect of the proposed

transaction.

While the Tenancy in Common Agreement and the Option and Put Agreements have been finalized, approved and initialled by the appropriate parties, the tax requirements of the Apollo and Wilstein interests as respects the changing nature of the Contribution Agreement, Admission and Amendment Agreement and the Merger Agreement have not been finalized and it is now apparent that there will not be complete agreement by executed or initialled documents on all of these sub-parts of the Master Agreement by today; namely, the Merger Agreement, the Contribution Agreement for Apollo, the Contribution Agreement for Wilstein and the Admission and Amendment Agreement for the Wilstein Interests. While my client, Arden Realty Limited Partnership, continues to be willing to waive its due diligence contingencies based upon its physical and fiscal review of the Property, the tax issues of your clients related to the Contribution Agreements, Admission and Amendment Agreements and the Merger Agreement continues to be unresolved issues and I believe it to be in everyone's best interest to agree upon an extension of this and all of the other December 3, 1997 deadlines set forth in the Master Agreement (as previously amended) until the earlier of the date when all of the aforementioned have been approved or Friday, December 5, 1997 at 5:00 pm Los Angeles time.

In this way, we can all proceed apace to conclude each of our respective tax and legal aspects of this transaction without immediate fear of a "drop-dead" date.

Therefore, this letter will confirm our mutual agreement on behalf of our respective clients that (1) the Due Diligence Period and (2) the date by which the Contribution Agreements, Admission and Amendment Agreement and the Merger Agreement must be approved (the Tenancy in Common Agreement and Option and Put Agreement have previously been approved) are hereby extended to the earlier of that date such agreements are approved by each of the respective parties or Friday, December 5, 1997; and the Closing Date shall continue to be scheduled for December 10, 1997.

Please confirm this understanding, by signing and returning a copy of this letter to each party's counsel for their and my files. Thank you for your cooperation.

Please let me know if you have any questions or comments concerning any of the foregoing.

Best Regards,

/s/ Kenneth R. Blumer
Kenneth R. Blumer
Member of the Firm

The foregoing is hereby confirmed and agreed to on behalf of our respective clients.

/s/ Gary Laughlin
Gary Laughlin
Pircher Nichols & Meeks
on behalf of Apollo

/s/ Alexander Szilvas
Alexander Szilvas
Baker & Hostetler LLP
on behalf of Forest City

/s/ Ronald Resch
Ronald Resch
Resch Polster Alpert & Berger LLP
on behalf of Wilstein