

**STANDARD OFFER AND AGREEMENT  
FOR PURCHASE OF REAL ESTATE**  
American Industrial Real Estate Association



Van Nuys, California  
(City)

October 20, 1986  
(Date)

**1. Buyer.** The Back Alley Theatre and/or Nominee or Assignee ("Buyer") hereby offers to purchase the real property hereinafter described upon the terms and conditions herein set forth. Buyer shall have the right to assign Buyer's rights hereunder. Such assignment shall not relieve Buyer of Buyer's obligations herein unless the "Seller" accepting this offer expressly so agrees.

**2. Broker.** This offer is being submitted to the Seller through Beitler & Associates ("Broker"), who is the procuring cause of this offer.

**3. Property.**  
3.1 The real property ("Property") which is the subject of this offer is located in the City of Van Nuys County of Los Angeles, State of California, and is commonly known as 15231 Burbank Boulevard

The Property is legally described as follows: Assessor's Book Number 2243 Page 8 Parcel Number 7

3.2 If the legal description of the Property is not complete or is inaccurate, this Agreement shall not be invalidated and the legal description shall be completed or corrected to meet the requirements of the title insurance company named in Paragraph 8(a).  
3.3 The Property includes not only those items which the law of the State of California provides is part of the "Property" but also includes, at no additional cost to Buyer, the following items, if any, presently located in the Property: lighting fixtures, power panels, buss ducting, space heaters, air conditioning equipment, air lines and conduits, and

**4. Deposit.**  
4.1 Buyer hereby delivers to Broker a check in the sum of \$ 5,000 ("Deposit"), to apply toward the herein set forth Purchase Price.  
4.2 Broker is authorized by Buyer to place the Deposit in Broker's trust account. If this offer, or any other offer made by Buyer is accepted by the Seller of the Property, Broker shall cause the Deposit to be applied toward the purchase price of the Property.

**5. Purchase Price.**  
5.1 The Purchase Price to be paid by Buyer to Seller for the Property shall be \$ 300,000, payable as follows:

(a) Cash down payment, including Deposit (or if an all cash transaction, the Purchase Price):	\$ <u>75,000</u>
(b) Amount of "New Loan" as defined in Paragraph 6.1, if any:	\$ <u>225,000</u>
(c) <del>Buyer shall take title subject to a first deed of trust ("Existing Deed of Trust") securing a promissory note ("Existing Note") with an unpaid balance as of the close of escrow of: Said Existing Note is payable at \$ _____ per month, including interest, at the rate of _____ % per annum, until paid (or the entire unpaid balance is due on _____).</del>	\$ _____
(d) <del>Buyer shall give Seller a deed of trust ("Purchase Money Deed of Trust") on the Property, to secure the promissory note ("Purchase Money Note") of Buyer to Seller for:</del>	\$ _____
<b>Total:</b>	\$ <u>300,000</u>

5.2 The Purchase Money Note (if applicable) shall provide for interest on unpaid principal at the rate of \_\_\_\_\_ % per annum, with principal and interest to be paid as follows: \_\_\_\_\_

The Purchase Money Note and the Purchase Money Deed of Trust shall provide that in the event the Trustor voluntarily or involuntarily divests himself partially or totally of title to the Property or any portion thereof, other than by a lease or sublease, then the beneficiary may, at its option, accelerate the entire unpaid principal balance of the Purchase Money Note.

5.3 The Purchase Money Note and Purchase Money Deed of Trust, if any, shall be on the current forms commonly used by the escrow holder and the Purchase Money Note shall specifically provide that principal may be prepaid in whole or in part at any time without penalty, at the option of Buyer.

5.4 Upon opening of escrow, Buyer shall deposit with Escrow Holder the sum of \$ 5,000, including the Deposit, to apply toward the Purchase Price. The balance of the cash portion of the Purchase price, including Buyer's escrow charges and other cash charges, if any, shall be deposited with Escrow Holder, by certified check or cashier's check no later than 2:00 o'clock P.M. on the business day prior to the escrow closing date.

5.5 In the event that a Beneficiary Statement as to an Existing Note discloses that the unpaid principal balance at the Closing is more or less than the amount set forth in Paragraph 5.1(b) or (c) hereof, then the Purchase Money Note, if any, shall be adjusted accordingly, and if there is no Purchase Money Note, the adjustment shall be made in cash at the Closing.

**6. Financing Contingency.** (strike if not applicable)  
6.1 This offer is contingent upon Buyer obtaining from an insurance company, savings and loan association or other financial institution or from any correspondent or agent thereof, a commitment to lend to Buyer a sum not less than \$ 225,000 ("New Loan"), at an interest rate not to exceed 11.5 % per annum payable in equal monthly installments, including interest, over a period of not less than 30 years, with a loan fee of not to exceed 2.5 % of the amount of the New Loan. The New Loan shall be secured by a first deed of trust on the Property and shall be on such other terms and conditions which are usually required by such lender.  
6.2 Buyer hereby agrees to diligently attempt to obtain the New Loan. If Buyer shall fail to notify Broker and Seller, in writing, that said financing commitment has not been obtained within 60 days of the date Seller has accepted Buyer's offer, then it shall be conclusively presumed that Buyer has either obtained said commitment or has waived this financing contingency.

6.3 If Buyer shall notify Broker and Seller, in writing, within the time specified in Paragraph 6.2 hereof, that Buyer has not obtained said commitment, then this Agreement shall be terminated, and Buyer shall be entitled to the prompt return of Buyer's Deposit and any funds deposited by Buyer with the hereinafter described Escrow Holder, less only escrow cancellation fees and costs, and title company charges which Buyer shall pay.

6.4 If the amount of the New Loan actually obtained by Buyer is greater than the amount set forth in Paragraph 6.1 hereof and if Seller is receiving a Purchase Money Note from Buyer in this transaction, then the excess of the actual face amount of the New Loan over the amount specified in Paragraph 6.1 hereof shall reduce the face amount of the Purchase Money Note, and the monthly payments of principal and interest shall be reduced pro rata.

6.5 In the event there is to be a New Loan and if there now exists on the Property an existing deed of trust then Seller shall remove said existing deed of trust and bear all costs in connection therewith on or before the time set for the close of the hereinafter described escrow.

**7. Escrow.**

7.1 The Escrow Statement (Marcine Kline, Escrow Officer) \_\_\_\_\_ is hereby designated as the Escrow Holder for the purposes of carrying out the terms hereof.

7.2 Upon acceptance hereof by Seller, Broker shall request that the Escrow Holder promptly prepare escrow instructions, on its usual form, for the purchase and sale of the Property upon the terms and provisions hereof. Said Escrow instructions shall be promptly signed by Buyer and Seller. The escrow shall be deemed to be "opened" as of the date fully executed counterparts of such instructions are delivered to the Escrow Holder by Buyer and Seller. The escrow instructions shall not modify or amend the provisions of this Agreement unless otherwise expressly set forth therein. At the option of Escrow Holder this document may be considered as its escrow instructions, with such further instructions as Escrow Holder shall require, in order to clarify the duties and responsibilities of the Escrow Holder.

**8. Preliminary Title Report and Documents.** Promptly after the opening of escrow, Seller, at Seller's expense, shall furnish Buyer with the following:

(a) A preliminary title report on the Property issued by First American Title Company of Los Angeles

\_\_\_\_\_ together with copies of all documents referred to in such report ("PTR")

(b) Copies of any Existing Note and Existing Deed of Trust on the Property if Buyer is to accept title subject thereto.

(c) Copies of all currently effective tenant leases, rental agreements or other agreements, if any, relating to the Property which are to remain in effect after Buyer takes title to the Property.

**9. Conditions Precedent to Consummation of Sale.**

9.1 The following are conditions precedent to the consummation of this transaction:

(a) The satisfaction or waiver of the financing contingency, if any, set forth in Paragraph 6 hereof.

(b) Buyer's written approval of the PTR and the documents referred to in Paragraph 8(b) and (c) hereof, if applicable.

(c) Buyer's inspection and written approval of a Beneficiary's Statement as to any Existing Note and Existing Deed of Trust which is to remain on the Property and, if required, the consent of the holder thereof to the sale and conveyance of the Property without acceleration thereof and without change in the terms thereof. Seller shall provide said Beneficiary Statement within ten days after the PTR is approved.

(d) Buyer's receipt and approval of estoppel certificates (to be procured by Seller) from tenants of the Property who will remain after title to the Property is transferred to Buyer.

9.2 If Buyer shall fail to approve or disapprove the matters referred to in Paragraph 9.1(b), (c) and (d) hereof, in writing, 10 days after receipt thereof, it shall be conclusively presumed that Buyer has approved said matters.

9.3 If Buyer shall disapprove or conditionally approve the PTR, or any part thereof, or any of the items referred to in Paragraphs 9.1(b), (c) or (d) hereof, then for a period of ten days after written notice by Buyer to Seller of said disapproval or conditional approval, Seller shall have the right to cure said disapproved or conditionally approved items, prior to the close of escrow, or elect not to cure said disapproved items. Notice of Seller's written election shall be given to Buyer. If Seller shall elect not to cure all of said items, then for a period of ten days after said written notice to Buyer, Buyer shall have the right to either accept title to the Property subject to said items or to terminate this transaction. Buyer shall give written notice to Seller of Buyer's election within ten days after the expiration of the time in which Seller shall have been required to respond to Buyer's notice of disapproval or conditional approval. If Buyer shall fail to give Seller such written notice of Buyer's election within the time specified, it shall be conclusively presumed that Buyer has elected to terminate this transaction. If Buyer elects to terminate this transaction, thereafter neither Buyer nor Seller shall have any further liability hereunder, except that Buyer shall be entitled to the prompt return of all funds deposited by Buyer with Escrow Holder, less only escrow cancellation fees and costs and title company charges, which Buyer hereby agrees to pay.

9.4 All notices called for herein shall be in writing and shall be delivered to Seller, Buyer, Broker and Escrow Holder at the addresses set forth in this document.

**10. Closing.**

10.1 Escrow Holder shall close ("Closing") the transaction on December 23, 1986 or sooner but the parties may, in writing, extend the date thereof.

10.2 Seller shall deliver or cause to be delivered to Buyer through escrow:

(a) A grant deed in proper form duly executed and recordable conveying to Buyer fee title to the Property subject only to the exceptions approved by Buyer pursuant to Paragraph 9 hereof.

(b) A standard coverage owner's form policy of title insurance issued by the title company named in Paragraph 8(a) above in the full amount of the Purchase Price insuring title vested in Buyer subject only to the exceptions approved by Buyer pursuant to Paragraph 9 hereof. In the event there is a Purchase Money Deed of Trust in this transaction, the policy of title insurance shall be a joint protection policy.

(c) If applicable, the original leases referred to in Paragraph 8(c) and assignments thereof to Buyer. The assignments shall be duly executed and recordable.

(d) Estoppel certificates executed by or on behalf of all tenants under said leases, acknowledging that the respective leases are in full force and effect in accordance with the respective terms thereof and are not in default, and setting forth all other material facts concerning the status of the lease, lease rent and the Property.

(e) Beneficiary's statement and, if required, consent to the sale, without acceleration or change in any terms of the loan, executed by the holder of the Existing Note and acknowledging that the Existing Note and Existing Deed of Trust are not in default.

10.3 Buyer shall deliver or cause to be delivered to Seller through escrow:

(a) The Purchase Price as set forth in Paragraph 5.

(b) If applicable, the Purchase Money Note and Purchase Money Deed of Trust in proper form duly executed. The Purchase Money Deed of Trust shall be in recordable form.

10.4 Both parties shall execute and deliver through escrow any other documents or instruments which are reasonably necessary in order to consummate the purchase and sale of the Property.

**11. Representations and Warranties of Seller and Disclaimer.**

11.1 Seller hereby covenants, warrants and represents as hereinafter set forth:

(a) Seller is the owner of and has full right, power and authority to sell, convey and transfer the Property to Buyer as provided herein and to carry out Seller's obligations hereunder.

(b) Until the Closing, Seller shall maintain the Property in its present condition, ordinary wear and tear excepted.

(c) Seller has no knowledge of any order or directive of the applicable Department of Building and Safety, Health Department or any other City, County, State or Federal authority that any work of repair, maintenance or improvement be performed on the Property.

(d) All of the documents, information and records provided in accordance with Paragraphs 8, 9 and 10 hereof shall contain true and accurate information except as otherwise noted to Buyer in writing.

(e) There have been no amendments or modifications, written or oral, to any of the leases or other agreements provided pursuant to Paragraphs 8(b) or (c) hereof, except as noted in the estoppel certificates.

(f) The Property ~~is~~ (is not) ~~subject to the provisions of~~ situated in a Special Study Zone as designated under the Alquist-Priolo Geologic Hazard Act, Sections 2621 et seq. of the California Public Resources Code, and if so situated, the construction or development on the Property of any structure for human occupancy may be subject to the findings of a geologic report prepared by a geologist registered in the State of California, unless such report is waived by the city or county under the terms of such Act.

11.2 Buyer hereby acknowledges that notwithstanding the foregoing warranties:

(a) Unless otherwise noted in this document, buyer is purchasing the Property in its existing physical condition.

(b) Neither Seller nor Broker has, unless otherwise noted in this document, made any representation or warranty to Buyer concerning the Property or any aspect of the Occupational Safety and Health Act, or any similar act, ordinance or law; and that Buyer is relying upon Buyer's own independent investigation of the Property in making this offer.

**12. Prorations and Expenses.**

12.1 Real property taxes shall be prorated as of the date of the Closing, based upon the latest tax bill available. Assessments of record shall be (paid by Seller) ~~(assumed by Buyer) (strike inapplicable provision)~~. Rentals, interest on the Existing Note, utilities, operating expenses and premiums for fire and extended coverage insurance on the Property, as handed to Escrow Holder, shall be prorated as of the date of the Closing. Security Deposits shall be delivered to Buyer at the Closing. Seller shall pay the premium for the standard coverage owner's or joint protection policy of title insurance.

12.2 Buyer and Seller shall each pay one-half of the usual escrow fees, and Seller shall pay the usual recording fees and any required documentary transfer taxes.

**13. Possession.** Possession of the Property shall be delivered to Buyer at, and the rents, issues and profits of the Property shall accrue to Buyer from, the date of Closing.

to reasonable attorneys' fees. The Buyer, Seller, and Broker, or any of them, concerning this transaction, the prevailing party shall

15. **Integration.** The contract resulting from Seller's acceptance hereof supersedes any and all agreements between Seller and Buyer regarding the Property.

16. **Broker's Rights.** In addition to all other rights and remedies of Broker, if this offer or any counteroffer acceptable to Buyer shall be accepted by Seller or Buyer, and if this sale shall not be consummated due to the default of Buyer, the Buyer shall be liable to and shall pay to Broker a sum equal to \_\_\_\_\_ % of the Purchase Price as broker's fee for services rendered in this transaction.

17. **Acceptance.**  
17.1 Buyer's signature hereon constitutes an offer to Seller to purchase the Property on the terms and conditions herein set forth.  
17.2 This offer to purchase by Buyer shall remain irrevocably open until ~~10:00 PM~~ upon presentation and if not accepted by Seller by said date shall be deemed revoked, and Broker shall return the Deposit to Buyer unless Buyer informs Broker that the parties are still negotiating, in which event the Deposit shall be returned to Buyer when the negotiations are terminated or upon the demand of Buyer, whichever first occurs.  
17.3 If Seller accepts this offer to purchase within the time limit specified, communication of the acceptance to Buyer shall be deemed satisfied if Broker orally notifies Buyer of the acceptance by said date and delivers to Buyer in person or by United States mail one copy executed by the Seller within forty-eight hours thereafter. Upon the closing, Broker is authorized to publicize the sale price, terms and financing of this transaction.

18. **Time.** Time is of the essence of this offer.

19. **Additional Provisions.**  
Additional provisions of this offer, if any, are as follows or are attached hereto on a rider: [If none, so state; if rider is attached, then so state.]  
Seller will furnish at his expense a structural pest control report by a State licensed operator showing the accessible portion of the improvements to be free of visible evidence of infestation caused by wood destroying insects, fungi and/or dry rot and pay for any labor and/or materials required to warrant the issuance thereof.

The undersigned Buyer offers and agrees to buy the Property on the terms and conditions stated and acknowledges receipt of a copy hereof.

Dated: October 20, 1986

By: *Laura Zuck*  
LAURA ZUCKER  
The Back Alley Theatre  
"BUYER"

15231 Burbank Blvd., Van Nuys, CA  
Address of Buyer  
(818) 780-2240  
Telephone Number of Buyer

Beitler & Associates  
Real Estate Broker

By GEORGE KALMAN

14144 Ventura Blvd., Suite 110  
Sherman Oaks, CA 91423  
Address of Broker  
(818) 501-5001  
Telephone Number of Broker

20. **Acceptance.**  
20.1 The undersigned Seller accepts the foregoing offer to purchase the Property and hereby agrees to sell the Property to Buyer on the terms and conditions therein specified. The undersigned Seller acknowledges that Seller has employed Broker to sell the Property.  
20.2 In consideration of real estate brokerage service rendered by Broker to Seller, the undersigned Seller agrees to pay Broker a real estate brokerage fee in a sum equal to 6 % of the Purchase Price. This agreement shall serve as an instruction to the Escrow Holder to pay such brokerage fee to Broker at close of escrow.  
20.3 The undersigned Seller acknowledges receipt of a copy hereof and authorizes Broker to deliver a signed copy to Buyer.

Dated: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
"SELLER"  
\_\_\_\_\_  
Address of Seller  
\_\_\_\_\_  
Telephone Number of Seller

If this Agreement has been filled in it has been prepared for submission to your attorney for his approval. No representation or recommendation is made by the real estate broker or its agents or employees as to the legal sufficiency, legal effect, or tax consequences of this Agreement or the transaction relating thereto.

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