

December 4, 1928.

Gentlemen:

The undersigned hereby submits the terms upon which he will be willing to lease for 99 years the property situated in the County of Los Angeles, State of California, and being that certain property having a frontage of 148 feet on Hayworth Avenue and a depth of approximately 190 feet.

The Lessee to pay a bonus of \$7500.00 upon the signing of the lease. The lease shall contain a rental of \$275 per month for the first ten years of the term, payable on the first of each and every calendar month, in advance, with the provision that in the event default be made in the payment, or in any other condition of the lease, the Lessor shall give written notice of such default to the Lessee and in the event such default is not cured within thirty days, that the Lessor shall be entitled to the possession of the premises and to the cancellation of the lease.

Ten years from the date of the lease an appraisement to be made by a board of three appraisers, one to be appointed by the Lessor, one by the Lessee and the two so appointed to appoint the third appraiser and the monthly rental to be based for the next ten year period on a basis of 7% on the ground value and 6% on the improvement value. Such re-appraisement to be made every ten years thereafter.

The Lessee is to build a two story apartment house of Spanish architecture, to be built according to plans and specifications, which have first been approved by the owner of the fee. The building shall not cost more than \$170,000.00, but shall be reasonably worth said sum and shall include such features as a gymnasium in the basement, also a garage in the basement, an open air swimming pool, mahogany or walnut finish, etc.

The owner of the fee shall join with the Lessee in securing a first mortgage of an amount not to exceed \$130,000.00, if the building shall cost the sum of \$170,000.00, and if the building shall cost less than \$170,000.00, then the mortgage shall be reduced by the same amount. The Lessee shall agree in the lease to reduce the first mortgage at the expiration of 3 years by a sum of not less than \$15,000.00 and at the expiration of 5 years by a total sum of not less than \$25,000.00.

Lessee shall deposit with the Lessor the sum of \$1,000 pending the drawing of the lease and arranging for the mortgage and the acceptance of the plans and specifications. The

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mortgage shall contain a provision whereby the sums advanced shall be released only with the consent of the owner of the fee and the Lessee, or the contractor having the contract, to build the building shall give a completion bond executed by a reliable surety company.

The Lessee shall deposit in escrow at the time that plans and specifications are approved the sum of \$40,000.00 to be used for the purpose of paying the cost of the building and distributed only with the consent of the owner of the fee.

Yours very truly,

CPV/s.

CPV/s.